axiata
advancing asia

GOVERNANCE & AUDITED FINANCIAL STATEMENTS 2023

Contents

01

GOVERNANCE

Group Corporate Structure	2
Profile of Directors	4
Board Remuneration	10
Directors' Training List 2023	11
Profile of Group Senior Leadership Team	14
Profile of Operating Companies' Management Team	18
Significant Milestones in 2023	23
Awards	24
Statement on Risk Management and Internal Control	28
Board Audit Committee Report	37
Building Digital Trust Through Data Privacy and Cyber Security	40
Additional Compliance Information	43

02

AUDITED FINANCIAL STATEMENTS

Directors' Responsibility Statement	47
Audited Financial Statements for the financial year ended 31 December 2023	48

03

OTHER INFORMATION

Shareholding Statistics	233
List of Top Ten Properties	236
Net Book Value of Land & Buildings	237
Glossary	238

Axiata's Integrated Annual Report 2023 Suite is made up of the following:

IAR Integrated Annual Report 2023

GAFS Governance & Audited Financial Statements 2023

SNCR Sustainability & National Contribution Report 2023


AXIATA CYBER FUSION CENTRE
axiata enterprise
AXIATA DIGITAL LABS

GOVERNANCE

Group Corporate Structure*

AXIATA GROUP BERHAD

- Axiata SPV1 (Labuan) Limited *(Labuan)*
- Axiata SPV2 Berhad *(Malaysia)*
- Axiata Digital Labs Sdn Bhd *(Malaysia)*
- Axiata Investments (UK) Limited *(United Kingdom)*
- Axiata Enterprise Sdn Bhd (formerly known as Axiata Business Services Sdn Bhd) *(Malaysia)*
  - Xpand Investments (Labuan) Limited *(Labuan)*
    - Axiata Global Services Pte Ltd *(Singapore)*
- Axiata SPV5 (Labuan) Limited *(Labuan)*
- Axiata Investments (Singapore) Limited *(Labuan)*
- Axiata SPV4 Sdn Bhd *(Malaysia)*
  - Merchantrade Asia Sdn Bhd *(Malaysia)* 19.00%
  - Axiata Digital Innovation Fund Sdn Bhd *(Malaysia)* 62.19%
- *CelcomDigi Berhad*[1] *(Malaysia)* 33.10%
- Axiata Investments 1 (India) Limited *(Mauritius)*
- *Axiata Foundation* # *(Malaysia)*
- Axiata Digital Services Sdn Bhd *(Malaysia)* 96.71%
  - Axiata Digital & Analytics Sdn Bhd *(Malaysia)* 63.47%
    - ADA Digital Singapore Pte Ltd *(Singapore)*
    - ADA Digital Philippines Inc. *(Philippines)* 99.99%
    - ADA Asia Malaysia Sdn Bhd *(Malaysia)*
    - PT ADA Asia Indonesia *(Indonesia)* 99.00%
    - ADA Digital (Thailand) Co Ltd *(Thailand)* 99.85%
    - ADA Digital Analytics Private Limited (formerly known as Dhiomics Analytics Solutions Private Limited) *(India)* 99.00%
    - ADA Digital Analytics Kabushiki Kaisha *(Japan)*
    - AAD Holdings Pte Ltd *(Singapore)*
      - AAD Indochina Pte Ltd *(Singapore)*
        - Thien An Investment Co Ltd *(Vietnam)*
      - AADistribution Phils Inc *(Philippines)* 99.99%
      - Awake Asia Distribution Sdn Bhd *(Malaysia)*
      - Awake Asia Distribution Pte Ltd *(Singapore)*
      - PT Awake Asia Distribution Indonesia *(Indonesia)*
  - PT Axiata Digital Analytics Indonesia *(Indonesia)*
  - Axiata Digital Bangladesh (Private) Limited *(Bangladesh)*
  - Boost Holdings Sdn Bhd *(Malaysia)* 78.12%
    - Axiata Digital Capital Sdn Bhd *(Malaysia)*
      - PT Axiata Digital Capital Indonesia *(Indonesia)*
      - PT Axiata Digital Services Indonesia *(Indonesia)*
      - Axiata Digital eCode Sdn Bhd *(Malaysia)*
    - *Boost Connect Sdn Bhd* (formerly known as Apigate Sdn Bhd) *(Malaysia)*
    - Apigate India Services Private Limited *(India)*
    - PT Creative Mobile Adventure *(Indonesia)* 76.61%
    - Boost Biz Sdn Bhd *(Malaysia)*
    - Boost Bank Berhad (formerly known as Boost Berhad) *(Malaysia)* 60.00%
  - Apigate Inc. *(USA)*
  - Trust Axiata Digital Limited *(Bangladesh)* 49.00%

Legend:

*	Depicting active subsidiaries, associates and affiliates as at 31 March 2024
☐	Key Operating Companies
▶	Wholly-owned Subsidiaries
▶ (light)	Non wholly-owned Subsidiaries
▷	Associates/Affiliates
▷ (key)	Key Associate Company
‡	Listed Companies
#	Company Limited by Guarantee
@	Negligible

Notes:

1 Pursuant to the completion of the merger between CelcomDigi Berhad ("CDB") and Celcom Berhad ("Celcom") on 30 November 2022, Axiata held 33.10% interest in CDB and Celcom became a wholly-owned subsidiary of CDB.

2 The complete list of subsidiaries, associates and joint ventures and their respective principal activities, country of incorporation and the Group's effective interest as at 31 December 2023 are shown in notes 41 to 43 to the financial statements on pages 210 to 219 of this Governance & Audited Financial Statements 2023.

Group Corporate Structure*

- **Axiata Investments (Cambodia) Limited** *(Labuan)*
  - Axiata (Cambodia) Holdings Limited *(Labuan)* 72.48%
    - **Smart Axiata Co., Ltd** *(Cambodia)*
      - Pi Pay International Co., Ltd. *(Hong Kong)* 26.42%
      - SADIF LP *(Labuan)* 80.00%
      - Milvik (Cambodia) Micro Insurance PLC *(Cambodia)* 30.00%
      - 20.00% EDOTCO (Cambodia) Co., Ltd *(Cambodia)* 80.00%

- **EDOTCO Group Sdn. Bhd.** *(Malaysia)* 63.00%
  - EDOTCO Malaysia Sdn Bhd *(Malaysia)* 0.002%
    - 79.998% Tanjung Digital Sdn Bhd *(Malaysia)*
      - Yiked Bina Sdn Bhd *(Malaysia)*
    - On Site Services Sdn Bhd *(Malaysia)*
    - Touch Mindscape Sdn Bhd *(Malaysia)*
      - Touch Matrix Sdn Bhd *(Malaysia)*
      - Shahzan Alam Muda Sdn Bhd *(Malaysia)* 80.00%
      - Touch Mobile Sdn Bhd *(Malaysia)*
      - Vista Bumiria Sdn Bhd
      - Touch Mindscape (Melaka) Sdn Bhd *(Malaysia)* 55.00%
  - PT EDOTCO Infrastruktur Indonesia *(Indonesia)*
  - edotco Holdings (Labuan) Limited *(Labuan)*
  - edotco Investments (Labuan) Limited *(Labuan)*
    - EDOTCO Investments Singapore Pte. Ltd *(Singapore)* 87.50%
      - EDOTCO Myanmar Limited *(Myanmar)*
      - EDOTCO Urban Infrashare Ltd *(Myanmar)*
    - 99.00% EDOTCO Services Lanka (Private) Limited *(Sri Lanka)*
    - EDOTCO Pakistan (Private) Limited *(Pakistan)*
      - EDOTCO Towers Pakistan (Private) Limited *(Pakistan)*
    - EDOTCO Towers, Inc. *(Philipines)*
  - 34.30% / 35.70% EDOTCO Bangladesh Co. Ltd *(Bangladesh)*
  - 80.00% edotco Lao Company Limited *(Laos)*

- **Axiata Investments (Labuan) Limited** *(Labuan)*
  - Axiata Investments (Indonesia) Sdn Bhd *(Malaysia)*
    - **PT XL Axiata Tbk ‡** *(Indonesia)* 66.53%
      - PT Princeton Digital Group Data Centres *(Indonesia)* 10.71%
      - PT Hipernet Indodata *(Indonesia)* 51.00%
      - 20.00% / 79.52% **PT Link Net Tbk ‡** *(Indonesia)* 99.52%
        - 99.99% PT First Media Television *(Indonesia)*
        - PT Infra Solusi Indonesia *(Indonesia)*
  - **Robi Axiata Limited ‡** *(Bangladesh)* 61.82%
    - RedDot Digital Limited *(Bangladesh)*
    - Smart Pay Limited *(Bangladesh)*
    - AxEnTec PLC *(Bangladesh)*
    - r ventures PLC *(Bangladesh)*
  - Axiata Lanka (Private) Limited *(Sri Lanka)*
  - Axiata Digital Labs (Private) Limited *(Sri Lanka)*
  - PT Axiata Digital Labs Indonesia *(Indonesia)*
  - **Dialog Axiata PLC ‡** *(Sri Lanka)* 82.27%
    - Dialog Business Services (Private) Limited *(Sri Lanka)*
    - Dialog Network Services (Private) Limited *(Sri Lanka)*
    - Dialog Television (Private) Limited *(Sri Lanka)*
      - Telecard (Private) Limited *(Sri Lanka)*
      - Digital Realty (Private) Limited *(Sri Lanka)* 35.00%
      - H One (Private) Limited *(Sri Lanka)*
    - Dialog Broadband Networks (Private) Limited *(Sri Lanka)*
    - Dialog Finance PLC ‡ *(Sri Lanka)* 99.05%
    - Dialog Device Trading (Private) Limited *(Sri Lanka)*
    - Digital Holdings Lanka (Private) Limited *(Sri Lanka)*
      - 25.00% Dialog Axiata Digital Innovation Fund (Private) Limited *(Sri Lanka)* 25.00%
        - Headstart (Private) Limited *(Sri Lanka)*
      - 20.45% Digital Health (Private) Limited *(Sri Lanka)* 37.24%
        - My Health Solutions (Private) Limited *(Sri Lanka)*

Profile of Directors

TAN SRI SHAHRIL RIDZA RIDZUAN
Chairman
Independent Non-Executive Director

Nationality / Age / Gender:
Malaysian / 53 / Male

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

Length of Service:
2 years 4 months

Date of Last Re-election:
26 May 2022

Membership of Board Committees:
- Nil

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

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

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

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

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

Directorships of Public Companies:

Axiata Group

Listed
- Nil

Non-listed
- Nil

Others

Listed
- Kuala Lumpur Kepong Berhad

Non-listed
- Ekuiti Nasional Berhad
- Pengurusan Danaharta Nasional Berhad

VIVEK SOOD
Group Chief Executive Officer and Managing Director

Nationality / Age / Gender:
Indian / 60 / Male

Date of Appointment:
24 March 2023

Length of Service:
1 year (Axiata Employment: 6 years 11 months)

Date of Last Re-election:
26 May 2023

Membership of Board Committees:
- Board Sustainability Committee
- Axiata Board Investment Committee

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

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

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

Vivek also serves as the Chairman of the Boards of Axiata Digital & Analytics Sdn Bhd and Boost Holdings Sdn Bhd.

Directorships of Public Companies:

Axiata Group

Listed
- PT XL Axiata Tbk (Commissioner)
- PT Link Net Tbk (Commissioner)
- Robi Axiata Limited (Chairman)

Non-listed
- Axiata Foundation

Others

Listed
- CelcomDigi Berhad

Non-listed
- Nil

Profile of Directors

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

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

Date of Appointment:
24 March 2023

Length of Service:
1 year (Axiata Group Employment: 29 years 9 months)

Date of Last Re-election:
26 May 2023

Membership of Board Committees:
- Axiata Board Investment Committee

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

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

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

Directorships of Public Companies:

Axiata Group

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

Non-listed
- Nil

Others

Listed
- CelcomDigi Berhad
- John Keells Holdings PLC

Non-listed
- Nil

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

Nationality / Age / Gender:
Malaysian / 68 / Female

Date of Appointment:
21 March 2017

Length of Service:
7 years

Date of Last Re-election:
26 May 2022

Membership of Board Committees:
- Board Nomination and Remuneration Committee (Chairman)
- Board Risk and Compliance Committee

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

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

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

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

Directorships of Public Companies:

Axiata Group

Listed
- Nil

Non-listed
- Nil

Others

Listed
- United Malacca Berhad

Non-listed
- Permodalan Nasional Berhad
- Amanah Saham Nasional Berhad

Profile of Directors

DR DAVID ROBERT DEAN
Independent Non-Executive Director

Nationality / Age / Gender:
British / 65 / Male

Date of Appointment:
11 December 2017

Length of Service:
6 years 3 months

Date of Last Re-election:
26 May 2022

Membership of Board Committees:
- Board Audit Committee
- Board Risk and Compliance Committee (Chairman)
- Axiata Board Investment Committee (Chairman)

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

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

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

Directorships of Public Companies:

Axiata Group

Listed
- Nil

Non-listed
- Nil

Others

Listed
- SÜSS MicroTec SE, Garching/Munich (Chairman)

Non-listed
- Nil

KHOO GAIK BEE
Independent Non-Executive Director

Nationality / Age / Gender:
Malaysian / 66 / Female

Date of Appointment:
1 January 2019

Length of Service:
5 years 3 months

Date of Last Re-election:
26 May 2023

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

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

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

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

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

Directorships of Public Companies:

Axiata Group

Listed
- Nil

Non-listed
- Axiata Foundation (Chairman)

Others

Listed
- Nil

Non-listed
- QSR Brands (M) Holdings Bhd
- AirAsia Aviation Group Limited

Profile of Directors

THAYAPARAN S SANGARAPILLAI
Independent Non-Executive Director

Nationality / Age / Gender:
Malaysian / 69 / Male

Date of Appointment:
18 March 2020

Length of Service:
4 years

Date of Last Re-election:
15 June 2021

Membership of Board Committees:
- Board Audit Committee (Chairman)
- Board Sustainability Committee (Chairman)
- Axiata Board Investment Committee

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

Working Experience and Occupation:
Thayaparan is a retired Senior Partner with over 32 years in PricewaterhouseCoopers, Malaysia. He has worked extensively with audit committees, senior management and Board members of top tier public listed companies across industries in audit, business advisory, mergers and acquisitions, valuations, initial public offerings and cross border transactions.

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

Directorships of Public Companies:

Axiata Group

Listed
- Nil

Non-listed
- Nil

Others

Listed
- Sime Darby Berhad

Non-listed
- Nil

MAYA HARI
Independent Non-Executive Director

Nationality / Age / Gender:
Singaporean / 45 / Female

Date of Appointment:
11 January 2023

Length of Service:
1 year 3 months

Date of Last Re-election:
26 May 2023

Membership of Board Committees:
- Nil

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

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

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

Directorships of Public Companies:

Axiata Group

Listed
- Nil

Non-listed
- Nil

Others

Listed
- Nil

Non-listed
- Singapore Life Ltd.

Profile of Directors

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

Nationality / Age / Gender:
Malaysian / 49 / Male

Date of Appointment:
28 August 2020

Length of Service:
3 years 7 months

Date of Last Re-election:
26 May 2023

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

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

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

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

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

Directorships of Public Companies:

Axiata Group

Listed
- Nil

Non-listed
- Nil

Others

Listed
- Nil

Non-listed
- Nil

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

Nationality / Age / Gender:
Malaysian / 50 / Male

Date of Appointment:
26 August 2022

Length of Service:
1 year 7 months

Date of Last Re-election:
26 May 2023

Membership of Board Committees:
- Board Audit Committee

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

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

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

Directorships of Public Companies:

Axiata Group

Listed
- Nil

Non-listed
- Nil

Others

Listed
- Sapura Energy Berhad

Non-listed
- Nil

Profile of Directors

MOHAMAD HAFIZ KASSIM
Non-Independent Non-Executive Director
(Representative of Employees Provident Fund)

Nationality / Age / Gender:
Malaysian / 48 / Male

Date of Appointment:
27 October 2023

Length of Service:
5 months

Date of Last Re-election:
Nil

Membership of Board Committees:
- Board Risk and Compliance Committee

Qualifications:
- Bachelor of Science (Economics) in Accounting and Finance, University of London School of Economics and Political Science (LSE)
- Fellow of Chartered Certified Accountants, Association of Chartered Certified Accountants (ACCA)
- Chartered Financial Analyst Charterholder, CFA Institute

Working Experience and Occupation:
Mohamad Hafiz was appointed as the Non-Independent Non-Executive Director of Axiata Group Berhad on 27 October 2023. Currently the Chief Financial Officer of Employees Provident Fund (EPF). Hafiz first joined EPF in December 2008 as Head, Private Equity and held various positions in investment division with his last position as Head, Real Estate Investment in January 2020. He also served as the Managing Director of Kwasa Land Sdn Bhd from April 2020 to May 2021 during his tenure with EPF.

Prior to joining EPF, he worked with various companies including Daiwa Capital Markets, PricewaterhouseCoopers United Kingdom and Malaysia and Telekom Malaysia. He has over 20 years of experience in investments, auditing and accounting.

Directorships of Public Companies:

Axiata Group

Listed
- Nil

Non-listed
- Nil

Others

Listed
- Malaysian Resources Corporation Berhad

Non-listed
- Projek Lebuhraya Usahasama Berhad
- PLUS Malaysia Berhad

EYSA ZULKIFLI
Alternate Director to Ong King How

Nationality / Age / Gender:
Malaysian / 41 / Male

Date of Appointment:
26 August 2022

Length of Service:
1 year 7 months

Date of Last Re-election:
N/A

Membership of Board Committees:
- Board Sustainability Committee

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

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

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

Directorships of Public Companies:

Axiata Group

Listed
- Nil

Non-listed
- Nil

Others

Listed
- Nil

Non-listed
- Nil

Notes:
1. None of the Directors have:
   (i) Any family relationship with any Director and/or major shareholder of Axiata.
   (ii) Any conflict of interest or potential conflict of interest, including interest in any competing business with Axiata or its subsidiaries.
   (iii) Any conviction for offences within the past five years and particulars of any public sanction or penalty imposed on them by the relevant regulatory bodies during the financial year ended 31 December 2023 (other than traffic offences).
2 Information on Directors' attendance at Board meetings held during the financial year is disclosed on page 89 of the Integrated Annual Report 2023.

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 2023 (FY23) 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	60	280	0	0	700
Dato Dr Nik Ramlah Nik Mahmood[a]	348	64	69	147	40	668
Dr David Robert Dean[b]	396	71	126	515	31	1,139
Khoo Gaik Bee	294	59	79	0	0	432
Thayaparan S Sangarapillai[c]	378	77	98	125	5	683
Maya Hari[d]	234	32	88	0	0	354
Ong King How[e]	0	0	0	0	0	0
Shahin Farouque Jammal Ahmad[f]	0	54	0	0	0	54
Mohamad Hafiz Kassim[g]	26	8	12	0	0	46
Eysa Zulkifli[h]	0	0	0	0	0	0
Tan Sri Dr Halim Shafie[i]	116	19	68	25	3	231
Nurhisham Hussein[j]	98	30	2	0	0	130
Total	**2,250**	**474**	**822**	**812**	**79**	**4,437**

[a] Fees and Meeting Allowances from subsidiaries – Dialog and EDOTCO
[b] Fees and Meeting Allowances from subsidiaries – Ncell and XL
[c] Fees and Meeting Allowances from subsidiary – Robi
[d] Appointed on 11 January 2023
[e] 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
[f] Representative of Permodalan Nasional Berhad (PNB). 100% of Director's fees are paid to PNB
[g] Representative of Employees Provident Fund (EPF) and appointed as NINED on 27 October 2023. 50% of Director's fees are paid to EPF
[h] Alternate Director to Ong King How
[i] Fees and Meeting Allowances from subsidiary – Smart. Retired as INED on 26 May 2023
[j] Representative of EPF and resigned as NINED on 30 September 2023. 50% of Director's fees are paid to EPF

Executive Directors

Breakdown of the aggregated remuneration of the Executive Directors of Axiata for FY23 into appropriate components is set out below:

	(RM'000)
a. Salaries, Allowances and Bonus	10,948
b. Benefits (Contribution to EPF, share-based payment expense and Monetary Value of Benefits-in-Kind)	864

Directors' Training List 2023

Directors	LIST OF TRAINING/ CONFERENCE/ SEMINAR/ WORKSHOP ATTENDED/ PARTICIPATED
Tan Sri Shahril Ridza Ridzuan	1) Axiata Group Collaboration Forum by Group Synergy & Knowledge Management, TELCO-Group Synergy & Digitisation, Axiata Boardroom, 8 January 2023 2) Mobile World Congress MWC 23 Barcelona by GSMA, Fira Gran Via, Barcelona, Spain, 27 February 2023 - 2 March 2023 3) PNB Tea Talk Series by PNB, Menara PNB, 23 February 2023 4) Hasanah Forum 2023 & AVPN Global Conferences 2023 by Yayasan Hasanah, KL Convention Centre, 20 June 2023 - 22 June 2023 5) Axiata Board Jakarta Offsite visit, XL Jakarta Indonesia, 10 May 2023 • Indonesia Economic & Political Update by Muhamad Chatib Basri • Indonesia Telecom Industry Update by BCG 6) Guest Speaker session "What Worked for Deutsche" by Niek Jan Van Damme, Board of Telstra and ex-Board of Management, Deutsche Telekom at the Board Retreat, M Resort & Hotel Kuala Lumpur, 12 July 2023 7) Smart Mentoring Graduation & Retreat by Women Leadership Foundation, Avani Sepang Goldcoast Resort, Sepang, 21 July 2023 - 22 July 2023 8) KLK Plantation Managers' Conference by KLK Berhad, Grand Hyatt Bali, Nusa Dua, Indonesia, 26 July 2023 - 28 July 2023 9) Axiata Group Risk and Compliance (GR&C) Annual Conference 2023 – Navigating Risk Horizons building resilience for a thriving future by GR&C, 31 July 2023 10) Mandatory Accreditation Programme (MAP) Part II, Leading For Impact by ICDM on 6 October 2023 – 7 October 2023 11) Board Oversight of Climate Risks and Opportunities by the Iclif Executive Education Center, 10 October 2023 12) Artificial Intelligence by Stephen Rose, IBM at the Board Retreat, EQ Hotel Kuala Lumpur, 8 November 2023 13) Board Briefing on M&A Framework by Morgan Stanley, Axiata Boardroom, 28 November 2023
Vivek Sood[1]	1) Mobile World Congress MWC 23 Barcelona by GSMA, Fira Gran Via, Barcelona, Spain, 27 February 2023 - 2 March 2023 2) Bangladesh Business Summit 2023, panel discussion titled "Harnessing the Digital Economy to Unlock New Frontiers for a smart Bangladesh" by country's apex business body the Federation of Bangladesh Chamber of Commerce and Industry (FBCCI), 12 March 2023 3) Bursa Malaysia MAP, 4 April 2023 - 6 April 2023 4) Politics and Global Market by Jimmy Quigley, Exec VC, International Corporate & Investment Banking, BoFA, 20 April 2023 5) Board ESG Governance, Navigating the Board's role in ESG KPIs, GRC and Executive Compensation? by Andrew Chan, Partner, Strategy and Transformation Leader, Sustainability & Climate Change and Farhana Jabir, Director, Sustainability & Climate Change, 26 April 2023 6) Axiata Board Jakarta Offsite visit, XL Jakarta Indonesia, 10 May 2023 • Indonesia Economic & Political Update by Muhamad Chatib Basri • Indonesia Telecom Industry Update by BCG 7) UBS OneAsean Conference 2023, The Fullerton Hotel Singapore, 30 May 2023 8) GEC Meeting in Colombo, 5 June 2023 9) Talent council in Colombo, 6 June 2023 10) CelcomDigi MY5G CEO Roundtable, Realising the True Potential of 5G for Malaysian Businesses, St Regis Kuala Lumpur, 3 July 2023 11) Guest Speaker session "What Worked for Deutsche" by Niek Jan Van Damme, Board of Telstra and ex-Board of Management, Deutsche Telekom at the Board Retreat, M Resort & Hotel Kuala Lumpur, 12 July 2023 12) ADA Offsite at Ritz Carlton, Langkawi, 12 August 2023 • External Speaker: Databricks by Ed Lenta, Databricks SVP • External Speaker: Treasure Data by Kazuki Ohta, Treasure Data CEO 13) Understanding the new IFRS Sustainability Disclosure Standards (ISSB) by Manohar Benjamin, Farhana Jabir and David Toh from PricewaterhouseCoopers Malaysia, Axiata Boardroom, 22 August 2023 14) CelcomDigi MY5G CEO Roundtable, Hilton KL, 22 August 2023 15) 30 CITIC CLSA Investors' Forum in Hong Kong, 11 September - 12 September 2023 16) Bursa Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers by Bursa, 19 September 2023 17) Khazanah Megatrends Forum 2023, 2 October 2023 18) Introduction to 5G Opportunities by McKinsey team, Nimal Manuel, Vlad Kulagin, Abhyuadaya Shrivastava and Ferry Grijpink, 11 October 2023 19) 2024 Malaysia Budget by PwC Tax Malaysia, Boardroom, 2 November 2023 20) Boost Holdings Board Retreat, EQ Hotel, 4 November 2023 • External Speaker: Fintech - Coming of Age by Erande Yashraj, Managing Partner of BCG India • External Speaker: Scaling a fintech in Indonesia: A Founders perspective by Adrianus Hitijahubessy CEO & Founder of Julo • External Speaker: Banking as a Service: How real is it by Sammeer Sharma, Managing Director, Retail Banking Standard Chartered Bank • External Speaker: Fundraising for Fintechs: Is there a Silver lining by Jan Metzger, Managing Director, Citi Asia Pacific Head of Banking, Capital Markets, Advisory and James Perry, Managing Director, Citi Asia Pacific Co-Head of Technology Investment Banking 21) GLIC Integrity Event (GIE 2023) by Khazanah, Royale Chulan Hotel KL, 7 November 2023 22) Artificial Intelligence by Stephen Rose, IBM at the Board Retreat, EQ Hotel Kuala Lumpur, 8 November 2023 23) CelcomDigi (CD) Board Strategy workshop by CD Management team, CD Tower, 16 November 2023 24) Sharing Session by Ericsson 5G India Journey by Nitin Bansal and Dr Ir. Ng Thiaw Seng of Ericsson, XL Tower, 22 November 2023 25) MAP Part II, Leading For Impact by ICDM, 4 December 2023 - 5 December 2023

Directors' Training List 2023

Directors	LIST OF TRAINING/ CONFERENCE/ SEMINAR/ WORKSHOP ATTENDED/ PARTICIPATED
Dr Hans Wijayasuriya[1]	1) Mobile World Congress MWC 23 Barcelona by GSMA, Fira Gran Via, Barcelona, Spain, 27 February 2023 - 2 March 2023 2) Speaker TM Forum, Bangkok, 14 March 2023 3) Axiata Board Jakarta Offsite visit, XL Jakarta Indonesia, 10 May 2023 • Indonesia Economic & Political Update by Muhamad Chatib Basri • Indonesia Telecom Industry Update by BCG 4) Board ESG Governance: Navigating the Board's role in ESG KPIs, GRC and Executive Compensation? by PWC, 26 April 2023 5) Guest Speaker session "What Worked for Deutsche" by Niek Jan Van Damme, Board of Telstra and ex-Board of Management, Deutsche Telekom at the Board Retreat, M Resort & Hotel Kuala Lumpur, 12 July 2023. 6) GR&C Annual Conference 2023, Navigating Risk Horizons building resilience for a thriving future by GR&C, 31 July 2023 7) M360 APAC, Seoul, 7 September 2023 • Keynote Speaker: Leading on Open Digital Nation: Connectivity & Beyond • Panel for Digital Leaders Fireside Chat 8) Introduction to 5G Opportunities by McKinsey, 11 October 2023 9) Artificial Intelligence by Stephen Rose, IBM at the Board Retreat, EQ Hotel Kuala Lumpur, 8 November 2023 10) CelcomDigi Board Strategy Workshop in CD Office, 16 November 2023 11) Board Briefing on M&A Framework by Morgan Stanley, Axiata Boardroom, 28 November 2023
Dato Dr. Nik Ramlah Nik Mahmood	1) Bursa Malaysia Immersive Experience The Board "Agender", Le-Meridien Kuala Lumpur, 13 March 2023 2) PNB IRAC week – Integrity, Risk and Compliance Seminars, 14 March 2023 3) Axiata Board Jakarta Offsite visit, XL Jakarta Indonesia, 10 May 2023 • Indonesia Economic & Political Update by Muhamad Chatib Basri • Indonesia Telecom Industry Update by BCG 4) Resolution Planning, Lesson from recent bank failures by PIDM, 18 May 2023 5) Guest Speaker session "What Worked for Deutsche" by Niek Jan Van Damme, Board of Telstra and ex-Board of Management, Deutsche Telekom at the Board Retreat, M Resort & Hotel Kuala Lumpur, 12 July 2023 6) A Leadership Agenda Driving Trust from the Top by PWC, 31 May 2023 7) Reshaping Markets and Finance, Thought Leadership, Talent and Technology as Levers for change by ICMR and SIDC, 25 July 2023 8) GR&C Annual Conference 2023, Navigating Risk Horizons building resilience for a thriving future by GR&C, 31 July 2023 9) Artificial Intelligence by Stephen Rose, IBM at the Board Retreat, EQ Hotel Kuala Lumpur, 8 November 2023 10) Board Briefing on M&A Framework by Morgan Stanley, Axiata Boardroom, 28 November 2023
Dr David Robert Dean	1) Axiata Board Jakarta Offsite visit, XL Jakarta Indonesia, 10 May 2023 • Indonesia Economic & Political Update by Muhamad Chatib Basri • Indonesia Telecom Industry Update by BCG 2) Guest Speaker session "What Worked for Deutsche" by Niek Jan Van Damme, Board of Telstra and ex-Board of Management, Deutsche Telekom at the Board Retreat, M Resort & Hotel Kuala Lumpur, 12 July 2023 3) Axiata GR&C Annual Conference 2023 – Navigating Risk Horizons building resilience for a thriving future by GRC, 31 July 2023 4) Board Oversight of Climate Risks and Opportunities by The Iclif Executive Education Center, 10 October 2023 5) Artificial Intelligence by Stephen Rose, IBM at the Board Retreat, EQ Hotel Kuala Lumpur, 8 November 2023 6) Board Briefing on M&A Framework by Morgan Stanley, Axiata Boardroom, 28 November 2023 7) MAP Part II, Leading For Impact by ICDM, 29 November 2023 – 30 November 2023
Khoo Gaik Bee	1) Axiata Board Jakarta Offsite visit, XL Jakarta Indonesia, 10 May 2023 • Indonesia Economic & Political Update by Muhamad Chatib Basri • Indonesia Telecom Industry Update by BCG 2) Guest Speaker session "What Worked for Deutsche" by Niek Jan Van Damme, Board of Telstra and ex-Board of Mgmt, Deutsche Telekom at the Board Retreat, M Resort & Hotel Kuala Lumpur, 12 July 2023 3) Board NRC Dialogue & Networking: NRC's Role in Championing a Future-Focused Talent Agenda, ICDM Penta Room, 26 July 2023 4) Finance Essentials for Non-Finance Directors by ICDM, ICDM Faculty, Kuala Lumpur, 25 July 2023 5) GR&C Annual Conference 2023 – Navigating Risk Horizons building resilience for a thriving future by GR&C, 31 July 2023 6) Corruption Risk Assessment Training by GR&C, Tiarasa, Janda Baik, Pahang, 3 August 2023 7) Artificial Intelligence by Stephen Rose, IBM at the Board Retreat, EQ Hotel Kuala Lumpur, 8 November 2023 8) Board Briefing on M&A Framework by Morgan Stanley, Axiata Boardroom, 28 November 2023 9) MAP Part II, Leading For Impact by ICDM, 4 December 2023 – 5 December 2023
Thayaparan S Sangarapillai	1) Climate Risk & ESG Disclosure: Key development in 2023 and deep diving into Asia's reporting trends by Eco-Business, 10 January 2023 2) Global Architecture Forum: Digital Twin for Decision Intelligence by TM Forum, 17 January 2023 3) Malaysia's Future in a Fractured World by the Oxford and Cambridge Society Malaysia, 27 March 2023 4) Axiata Board Jakarta Offsite visit, XL Jakarta Indonesia, 10 May 2023 • Indonesia Economic & Political Update by Muhamad Chatib Basri • Indonesia Telecom Industry Update by BCG 5) How digital finance changes everything by The Economist, 18 May 2023 6) Guest Speaker session "What Worked for Deutsche" by Niek Jan Van Damme, Board of Telstra and ex-Board of Management, Deutsche Telekom at the Board Retreat, M Resort & Hotel Kuala Lumpur, 12 July 2023 7) GR&C Annual Conference 2023, Navigating Risk Horizons building resilience for a thriving future by GR&C, 31 July 2023 8) Confirmation Notice for the Arrival of ISSB Standards and the Continued Relevance of Integrated Reporting Webinar by Malaysian Institute of Accounts, 4 September 2023 9) What Amounts to a Conflict of Interest by Directors? by Asia School of Business, Faculty Khoo Guan Huat, 12 September 2023 10) MAP Part II, Leading For Impact by ICDM, 13 September 2023 - 14 September 2023 11) Board Oversight Of Climate Risks And Opportunities by Prof. Mak Yuen Teen and Dr Khoo Guan Seng 12) Board Briefing on M&A Framework by Morgan Stanley, Axiata Boardroom, 28 November 2023 13) The Wirecard Scandal – A Whistleblower's Perspective by Asia School of Business, 4 December 2023 14) Managing Cyber Risks: Insights for Board and Senior Management by Asia School of Business, 5 December 2023

Directors' Training List 2023

Directors	LIST OF TRAINING/ CONFERENCE/ SEMINAR/ WORKSHOP ATTENDED/ PARTICIPATED
Maya Hari[2]	1) TED global conference on AI and Technology, attended in Vancouver in March 2023 2) MAP Part II, Leading For Impact by ICDM, 4 April 2023 – 6 April 2023 3) Board Oversight of Climate Risks and Opportunities by The Iclif Executive Education Center, 10 October 2023 4) Artificial Intelligence by Stephen Rose, IBM at the Board Retreat, EQ Hotel Kuala Lumpur, 8 November 2023 5) Board Briefing on M&A Framework by Morgan Stanley, Axiata Boardroom, 28 November 2023
Ong King How	1) Axiata Board Jakarta Offsite visit, XL Jakarta Indonesia, 10 May 2023 • Indonesia Economic & Political Update by Muhamad Chatib Basri • Indonesia Telecom Industry Update by BCG 2) Guest Speaker session - "What Worked for Deutsche" by Niek Jan Van Damme, Board of Telstra and ex-Board of Management, Deutsche Telekom at the Board Retreat, M Resort & Hotel Kuala Lumpur, 12 July 2023 3) Leadership Development Workshop - Conducting Leadership by Jason Lai, Khazanah Nasional Berhad, 16 August 2023 4) Diversity, Equity & Inclusion (DE&I) - Panel discussion for Strategic Planning Group, Khazanah Nasional Berhad, 16 August 2023 5) Digital Academy - Digital Navigator Pathway by Khazanah Nasional Berhad, September 2023 6) TM Forum: Telco revenue growth - time for operators to place new bets, 28 September 2023 7) Khazanah Megatrends Forum 2023 by Khazanah Nasional Berhad, Mandarin Oriental, 2 October 2023 - 3 October 2023 8) Khazanah Board Continuous Programme - Exploring AI by Khazanah Nasional Berhad, 26 October 2023 9) Artificial Intelligence organised by Stephen Rose, IBM at the Board Retreat, EQ Hotel Kuala Lumpur, 8 November 2023 10) Board Briefing on M&A Framework by Morgan Stanley, Axiata Boardroom, 28 November 2023 11) MIA Member Induction Course by Malaysian Institute of Accountants, December 2023
Shahin Farouque Jammal Ahmad	1) A Conversation with YB Tuan Nik Nazmi Nik Ahmad, Minister of Natural Resources, Environment and Climate Change (MNRECC) by PNBRi, PNB, 12 January 2023 2) Feedback Session with WTW, Leadership Profiling by PNB, 30 May 2023 3) Climate Risk Expert Insight Session by McKinsey, 19 June 2023 4) Guest Speaker session "What Worked for Deutsche" by Niek Jan Van Damme, Board of Telstra and ex-Board of Management, Deutsche Telekom at the Board Retreat, M Resort & Hotel Kuala Lumpur, 12 July 2023 5) Artificial Intelligence by Stephen Rose, IBM at the Board Retreat, EQ Hotel Kuala Lumpur, 8 November 2023 6) Board Briefing on M&A Framework by Morgan Stanley, Axiata Boardroom, 28 November 2023
Mohamad Hafiz Kassim[3]	1) Artificial Intelligence by Stephen Rose, IBM at the Board Retreat, EQ Hotel Kuala Lumpur, 8 November 2023 2) Board Briefing on M&A Framework by Morgan Stanley, Axiata Boardroom, 28 November 2023
Eysa Zulkifli	1) Senior Leadership Development Programme (SLDP) by Khazanah Nasional Berhad, Asia School of Business, May 2023 2) Axiata Board Jakarta Offsite visit, XL Jakarta Indonesia, 10 May 2023 • Indonesia Economic & Political Update by Muhamad Chatib Basri • Indonesia Telecom Industry Update by BCG 3) Guest Speaker session - "What Worked for Deutsche" by Niek Jan Van Damme, Board of Telstra and ex-Board of Management, Deutsche Telekom at the Board Retreat, M Resort & Hotel Kuala Lumpur, 12 July 2023 4) Diversity, Equity & Inclusion (DE&I) - Panel discussion for Strategic Planning Group, Khazanah Nasional Berhad, 16 August 2023 5) Digital Academy - Digital Navigator Pathway by Khazanah Nasional Berhad, September 2023 6) SaaStr Conference in San Francisco, 6 September 2023 - 9 September 2023 7) Khazanah Megatrends Forum 2023 by Khazanah Nasional Berhad, Mandarin Oriental, 2 October 2023 - 3 October 2023 8) MAP Part II, Leading For Impact by ICDM, 16 October 2023 - 17 October 2023 9) Sexual Harassment Awareness Workshop by Khazanah Nasional Berhad, 23 November 2023 10) Managing Performance Workshop by Khazanah Nasional Berhad, 25 October 2023 11) Board Briefing on M&A Framework by Morgan Stanley, Axiata Boardroom, 28 November 2023
Tan Sri Dr Halim Shafie[4]	
Nurhisham Hussein[5]	

Notes:
Trainings were attended via virtual participation unless otherwise stated
1 Appointed on 24 March 2023
2 Appointed on 11 January 2023
3 Appointed on 27 October 2023
4 Retired on 26 May 2023
5 Resigned on 30 September 2023

Profile of Group Senior Leadership Team

VIVEK SOOD

Group Chief Executive Officer and Managing Director

Please refer to page 4

DR HANS WIJAYASURIYA

Group Executive Director and Chief Executive Officer of Telecommunications Business

Please refer to page 5

NIK RIZAL KAMIL NIK IBRAHIM KAMIL

Group Chief Financial Officer

Nationality / Age / Gender:
Malaysian / 51 / Male

Date of Appointment to Current Position:
- 1 January 2024

Length of Service at Axiata:
4 months

Department/Portfolio:
- Strategic Finance and Financial Planning
- Treasury & Corporate Finance
- Corporate Development
- Procurement
- Taxation
- Group Accounts and Accounts Operations

Academic/Professional Qualification(s):
- Fellow Chartered Accountant (FCA), Institute of Chartered Accountants in England and Wales (ICAEW)
- Member, Malaysian Institute of Accountants (MIA)
- MSc Finance, London Business School
- BSc Economics & Accounting, University of Bristol

Working Experience:
Nik Rizal brings with him a wealth of experience and knowledge in accounting, finance and investments. His last position was as Group CFO at RHB Bank, a position he has held since early 2021 until end of 2023.

Prior to that, he was with Khazanah Nasional, where Nik Rizal held the position of Executive Director, Investments leading investment and divestments projects, value creation activities and overall asset class strategy execution both domestically and internationally in the areas of Telecommunications, Media and Technology. Nik Rizal was also on the Boards of Telekom Malaysia and Astro Malaysia Holdings Berhad.

Profile of Group Senior Leadership Team

THOMAS HUNDT

Group Chief Strategy & Technology Officer

Nationality / Age / Gender:
German / 46 / Male

Date of Appointment to Current Position:
25 October 2021

Length of Service at Axiata:
15 years 8 months

Department/Portfolio:
- Strategy
- Special Projects & Group Partnerships
- Future Networks
- Future IT & TechCo Enablement
- Tech Performance Management
- Strategic Sourcing

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

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

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

Thomas has gained vast experience in the telecommunications industry during his tenure in key management positions with Siemens AG's Communication Division and Nokia Siemens Networks. Thomas was also a member of the Supervisory Board of Azerfon in Azerbaijan.

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

NORLIDA AZMI

Group Chief People Officer

Nationality / Age / Gender:
Malaysian / 63 / Female

Date of Appointment to Current Position:
1 January 2021

Length of Service at Axiata:
3 years 5 months

Department/Portfolio:
- Organisational Development
- Talent Management and Development
- Talent Mobility and Resourcing
- Human Resources (HR) Business Partnering
- HR Cost Management and Services
- Performance and Rewards
- Culture
- HR Governance
- Internal Communications and Engagement
- Facility Management

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

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

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

ANTHONY RODRIGO

Group Chief Information Officer

Nationality / Age / Gender:
Sri Lankan / 56 / Male

Date of Appointment to Current Position:
1 August 2017

Length of Service at Axiata:
13 years 6 months

Department/Portfolio:
- IT Strategy
- IT Architecture
- IT Tech Performance Management
- Platforms and Digital Stacks
- Group Analytics

Academic/Professional Qualification(s):
- B.Eng from Kings College, University of London, UK
- MBA from Regis University Denver, Colorado, USA

Working Experience:
Anthony has been with Axiata Group of companies since 2010, as Chief Information Officer (CIO) of Dialog Axiata. Anthony was appointed Axiata Group Berhad's Group CIO in 2017. He also continues to serve Dialog Axiata in Sri Lanka as Chief Innovation Officer and Chief Architect. He has gained vast experience in the telecommunications and software industries with Nokia, Nokia Siemens Networks and British Telecom. Prior to joining Dialog, Anthony was the Head of North America Systems Integration Business for Nokia Siemens Networks. He holds several European and US patents in the area of Charging and Speech Recognition technology.

Profile of Group Senior Leadership Team

ANDY CHONG

Group Chief Corporate Officer

Nationality / Age / Gender:
Malaysian / 62 / Male

Date of Appointment to Current Position:
1 June 2023

Length of Service at Axiata:
9 months (Axiata Group Employment: 17 years)

Department/Portfolio:
- Sustainability
- Strategic Communications and Marketing
- Regulatory
- Brand

Academic/Professional Qualification(s):
- Bachelor of Engineering (Electronics & Computer Systems), Monash University, Australia
- MBA (General Management), Monash University, Australia

Working Experience:
Andy was appointed as Group Chief Corporate Officer of Axiata Group Berhad with effect June 2023. Prior to this appointment, he was Senior Vice President and Head of Group Marketing and Operations till 2014. He returned to Axiata in 2016 as Interim Chief Commercial Officer for Ncell and moved to Axiata Digital as a Consultant in 2017.

In January 2018, Andy was appointed Ncell's Chief Commercial Officer (CCO) and in May 2019 he became Ncell's Acting CEO in addition to being its CCO. As part of the Ncell Leadership Team, Andy has helped build strong partnerships based on trust, reliability and efficiency with customers with his visionary leadership skills.

With more than three decades of management and operations experience in the telecommunications, IT/ technology and electronics sectors, Andy has held CEO and top management positions in Malaysia, Singapore and Indonesia, leading teams to build and grow businesses, and providing strategic direction in the areas of sales and marketing, technical and operations, and finance.

His previous roles include Consultant Vice President of Global Wireless partnerships at Its ON Inc, USA; CEO/Vice President Director in Sampoerna Telekom, Indonesia; Regional CEO of T-Systems Asia Pacific, Singapore; and Head of Marketing, Maxis in Malaysia.

HADI HELMI ZAINI SOORIA

Group Chief Internal Auditor

Nationality / Age / Gender:
Malaysian / 54 / Male

Date of Appointment to Current Position:
15 October 2018

Length of Service at Axiata:
26 years 8 months

Department/Portfolio:
- Internal Audit
- Investigation

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

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

ABID ABDUL ADAM

Group Chief Risk and Compliance Officer

Nationality / Age / Gender:
South African / 42 / Male

Date of Appointment to Current Position:
2 March 2020

Length of Service at Axiata:
6 years 4 months

Department/Portfolio:
- Cyber Security and Defence
- Governance and Risk Management
- Compliance/ Ethics/ Integrity
- Data Privacy

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

Working Experience:
Abid is an accomplished Chief Risk and Compliance Officer with over 16 years industry experience in Risk Management, Cyber Security, and Privacy. He has led successful large-scale transformation programmes and is a trusted advisor to the Executive Leadership team. Abid serves on the Executive Advisory Board for Cyber (ABC), is an Adjunct Professor at Deakin University, and contributed to the World Economic Forum Digital ASEAN and the Pan ASEAN Data Policy and Cybersecurity Taskforce initiatives. Abid strongly advocates for a fortified digital economy where technology and security progress in lockstep. Rooted in Computer Science and bolstered by prestigious accreditations like CISSP, CISM, CRISC, and MBCI. He embodies a spirit of continuous learning, ever driven by his commitment to a safer, ethical, and more secure digital world for everyone. He has been recognised as one of the Top 10 Guardians of Cybersecurity.

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

Profile of Group Senior Leadership Team

SURYANI HUSSEIN

Group Company Secretary

Nationality / Age / Gender:
Malaysian / 58 / Female

Date of Appointment to Current Position:
1 April 2008

Length of Service at Axiata:
21 years 6 months

Department/Portfolio:
- Group Company Secretarial

Academic/Professional Qualification(s):
- LLB (Hons) Bachelor of Laws, International Islamic University, Malaysia
- Advocate and Solicitor of the High Court of Malaya and Licensed Company Secretary

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

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

TAN GIM BOON

Group General Counsel

Nationality / Age / Gender:
Malaysian / 51 / Male

Date of Appointment to Current Position:
1 April 2008

Length of Service at Axiata:
19 years 5 months

Department/Portfolio:
- Legal

Academic/Professional Qualification(s):
- Bachelor of Commerce and Bachelor of Laws, University of Adelaide, Australia
- Advocate and Solicitor of the High Court of Malaya and as a solicitor in New South Wales, Australia
- Masters of Law, University of New South Wales, Australia

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

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

Notes:
1. None of the Group Senior Leadership Team have:
   - Any family relationship with any Director and/or major shareholder of Axiata
   - Any conflict of interest with Axiata
   - Any conviction for offences within the past five years and particulars of any public sanctions or penalties imposed on them by any regulatory bodies during the financial year ended 31 December 2023 (other than traffic offences)
2. Unless otherwise indicated, these individuals do not hold directorships in public listed and non-listed companies.
3. Years of Service at Axiata refers to tenure within Axiata and its group of companies.

Profile of Operating Companies' Management Team

DIAN SISWARINI

President Director & Chief Executive Officer
PT XL Axiata Tbk

Nationality / Age / Gender:
Indonesian / 55 / Female

Date of Appointment to Current Position:
1 April 2015

Length of Service at Axiata:
27 years

Academic/Professional Qualification(s):
- Bandung Institute of Technology, majoring in Telecommunications
- Harvard Business School USA, Harvard Advance Management Programme

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

SUPUN WEERASINGHE

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

Nationality / Age / Gender:
Sri Lankan / 48 / Male

Date of Appointment to Current Position:
1 January 2017

Length of Service at Axiata:
24 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.

He is a Fellow Certified Management Accountant, Sri Lanka, Fellow Member of the Chartered Institute of Management Accountants, UK, and holds a Bachelor of Science in Accountancy and Financial Management from the University of Sri Jayewardenepura, Sri Lanka. Supun holds an MBA from the University of Western Sydney, Australia, and is an alumnus of the Harvard Business School.

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

Profile of Operating Companies' Management Team

RAJEEV SETHI

Managing Director and Chief Executive Officer
Robi Axiata Limited

Nationality / Age / Gender:
Indian / 51 / Male

Date of Appointment to Current Position:
1 November 2022

Length of Service at Axiata:
1 year 5 months

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

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

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

Rajeev also brings in experience of working in Bangladesh from his time as the Chief Executive Officer of Grameenphone Limited. He is the Chairman of Robi's subsidiaries, RedDot Digital Ltd, AxExTec PLC and r ventures PLC.

Directorships of Public Companies:
Axiata Group
Listed
- Robi Axiata Limited

ZIAD SHATARA

Chief Executive Officer
Smart Axiata Co., Ltd

Nationality / Age / Gender:
Canadian / 56 / Male

Date of Appointment to Current Position:
16 January 2023

Length of Service at Axiata:
1 year 2 months

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

Working Experience:
Ziad was appointed as the Chief Executive Officer of Smart Axiata in January 2023. He has extensive experience managing and accelerating telecommunication business growth in various markets, including Jordan, Bangladesh, and Italy.

He has a proven track record of establishing, managing, and expanding telecommunications operations, including cellular business, fixed lines, and broadband network integration. Ziad brings immense experience in information technology, customer service, and retail operations.

Prior to joining Smart, he held key management positions in several communication technology companies. He was the Chief Technology Officer at Wind Telecommunications in Italy before becoming the Chief Executive Officer of Banglalink Digital Communications Ltd. in Dhaka, Bangladesh. He spent the last seven years as the Chief Executive Officer of Jordan's leading mobile network provider, Umniah.

Profile of Operating Companies' Management Team

MOHAMED ADLAN AHMAD TAJUDIN

Chief Executive Officer
EDOTCO Group Sdn Bhd (EDOTCO)

Nationality / Age / Gender:
Malaysian / 53 / Male

Date of Appointment to Current Position:
1 November 2020

Length of Service at Axiata:
20 years

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

Working Experience:
Adlan's journey with Axiata Group began in May 2003 when he assumed the role of Vice President Finance at Celcom. Demonstrating exceptional talent and dedication, he swiftly ascended to the positions of Chief Financial Officer in May 2005 and subsequently Chief Corporate Officer. In 2011, Adlan transitioned to PT XL Axiata as its Chief Financial Officer, where he spent nine impactful years in Indonesia. He then returned home to undertake his current role as Director and Group CEO of EDOTCO Group.

At EDOTCO, Adlan has played a pivotal role in establishing the company as a premier integrated telecommunications infrastructure services provider in Asia. His strategic vision and transformative initiatives have been instrumental in the company's success, including corporate rebranding, the implementation of a robust sustainability framework, expanding the tower portfolio through strategic acquisitions, and venturing into new markets to sustain growth momentum. Guided by his visionary leadership, EDOTCO remains steadfast in its mission to advance equitable connectivity across its markets, thereby generating value for customers, enhancing shareholder's value, and supporting national digital agendas.

Under Adlan's stewardship, EDOTCO Group has experienced exponential growth and earned recognition as one of Asia's three Malaysia-based unicorns by Credit Suisse. Prior to his tenure at Axiata, Adlan honed his skills at Arthur Andersen & Co, where he specialised in Assurance and Business Advisory for nine years.

Adlan holds a degree in Economics and Statistics from the University of Exeter, United Kingdom, and is a Chartered Accountant certified by the Malaysian Certified Public Accountants. Beyond his corporate responsibilities, he actively champions Diversity, Equity, and Inclusion (DEI) initiatives and serves as a Council Member of 30% Club Malaysia.

KANISHKA GAYAN WICKRAMA

Acting Chief Executive Officer
PT Link Net Tbk

Nationality / Age / Gender:
Sri Lankan / 42 / Male

Date of Appointment to Current Position:
14 November 2022

Length of Service at Axiata:
17 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 has appointed as Director of the Company based on the Extraordinary General Meeting of Shareholders (EGMS) in 2022. He has more than 20 years of experience and exposure in telecommunication industry. He is a seasoned executive within Axiata Group Berhad, and he started his career with Axiata Group in Dialog Axiata PLC., prior joining PT Link Net Tbk as Chief Financial Officer (CFO), he served as CFO of Ncell (Nepal) and Smart Axiata (Cambodia).

Profile of Operating Companies' Management Team

ANTHONY SHEYANTHA ABEYKOON

Chief Executive Officer
Boost Holdings Sdn Bhd

Nationality / Age / Gender:
Sri Lankan / 44 / Male

Date of Appointment to Current Position:
1 March 2021

Length of Service at Axiata:
11 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 (previously Boost Berhad)

SRINIVAS GATTAMNENI

Chief Executive Officer
Axiata Digital & Analytics Sdn Bhd

Nationality / Age / Gender:
Indian / 43 / Male

Date of Appointment to Current Position:
1 September 2018

Length of Service at Axiata:
10 years

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

Working Experience:
Armed with two decades of professional experience, Srinivas is a highly accomplished, decorated leader and a champion for excellence. Prior to his tenure at Axiata, 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, Asia's leading company specialising in data, AI, and digital transformation. In this capacity, he leads a team of 1,400 experts spanning various domains, including data and analytics, technology, customer experience, e-commerce, performance marketing, platform engineering, content, and customer engagement. His leadership extends across 12 markets in South and Southeast Asia, cementing ADA's position as an industry leader in the region.

Profile of Operating Companies' Management Team

THUSHERA KAWDAWATTA

Chief Executive Officer
Axiata Digital Labs

Nationality / Age / Gender:
Sri Lankan / 51 / Male

Date of Appointment to Current Position:
2 December 2018

Length of Service at Axiata:
5 years

Academic/Professional Qualification(s):
- Master of Science (MSc) in Information Technology
- Strategic Leadership, Indian Institute of Management
- Organisational Leadership, Harvard Business School

Working Experience:
Thushera is a seasoned technology leader with 27 years of experience in software development and consulting for top global companies. He has led various IT initiatives, focusing on software reuse, engineering productivity and software sizing, and architecture governance and best practices. Thushera has extensive experience as the architect of over 100 software projects worldwide, including those for Fortune 500 companies.

Before joining ADL, Thushera spent 19 years at Virtusa Corporation as Chief Software Architect, where he oversaw software architecture standards, governance, capability development and R&D, and played a key role in scaling the organisation.

Thushera also took on technical leadership roles in two startups and was honoured with the Computer Society of Sri Lanka (CSSL) National Awards-Leader of the Year 2021 in Sri Lanka, which recognised his leadership in technology and software development.

He was a Board member of the Academic Committee at the University of Moratuwa - BIT for CODL and the Computer Society of Sri Lanka. Thushera was a committee member of the Parliamentary Select Committee on defining AI standards in Sri Lanka and is currently a member of the Sri Lanka Association for Software and Services Company (SLASSCOM) Technology Forum Advisory Board and the Forbes Technology Council.

Notes:
None of the Operating Companies' Management Team have:
(i) Any family relationship with any Director and/or major shareholder of Axiata
(ii) Any conflict of interest with Axiata
(iii) Any conviction for offences within the past five years and particulars of any public sanctions or penalties imposed on them by any regulatory bodies during the financial year ended 31 December 2023 (other than traffic offences)

Significant Milestones in 2023

30 January 2023	Axiata Digital & Analytics Sdn Bhd (ADA), a subsidiary of Axiata Digital Services Sdn Bhd (ADS) completed the acquisition of 2,524,873 ordinary shares, representing 99.99% in Axiata Digital Bangladesh (ADB) from ADS at a purchase consideration of BDT241.1 million (RM9.7 million).
1 March 2023	The Group through Boost Holdings Sdn Bhd (Boost Holdings), incorporated a new subsidiary, named Boost Berhad (now known as Boost Bank Berhad) (Boost Bank) with RHB Bank Berhad (RHB Bank). Boost Holdings and RHB Bank holds 60.00% and 40.00% in Boost Bank respectively. The principal activity of Boost Bank is operating a digital banking business under the Financial Services Act 2013 and the provision of related services.
31 March 2023	Boost Holdings, RHB Bank and Boost Bank entered into a share subscription agreement for Boost Holdings and RHB Bank to subscribe for 100 million new ordinary shares in Boost Bank for a cash consideration of RM100.0 million and a shareholders' agreement to regulate the affairs of Boost Bank as well as the relationship between Boost Holdings and RHB Bank as shareholders of Boost Bank.
5 April 2023	ADA Digital Singapore Pte. Ltd. (ADADS), an indirect subsidiary of Axiata held via ADA, completed its acquisition of 81,182 ordinary shares representing 99.00% interest in ADA Digital Analytics Private Limited (formerly known as Dhiomics Analytics Solutions Private Limited) (ADAPL) at a total purchase consideration of INR1,214.5 million (RM65.1 million).
25 June 2023	Robi Axiata Limited (Robi), a subsidiary of Axiata, completed the incorporation of AxEnTec, a public company limited by shares, under the Bangladesh Companies Act 1994, subject to the approval from the High Court of Bangladesh on the Demerger Scheme of RedDot Digital Limited, a wholly owned subsidiary of Robi. The principal activities of AxEnTec are to serve the market through sales, distribution and marketing services for connectivity, IT and ICT solutions, digital services, software, applications and hardware, including data center, cloud and cloud infrastructure, IoT and cyber security.
4 July 2023	Smart Axiata Co., Ltd (Smart), a subsidiary of Axiata completed its effective ownership of 128,247 ordinary shares representing 30.00% interest in Milvik (Cambodia) Micro Insurance Plc (Milvik) valued at USD1.9 million (RM9.0 million), via a non-cash consideration in the form of a reduction in the existing revenue share under the Insurance Agency Agreement. Effectively, Milvik became an associate company of Smart.
24 July 2023	Robi completed the incorporation of r ventures, a public company limited by shares, under the Bangladesh Companies Act 1994. r ventures was incorporated with an issued and paid-up share capital of BDT150.0 million (RM6.5 million). The principal activities of r ventures are to operate in the area of digital services, including over-the-top (OTT) services, ticketing services and mobile value-added services, while also investing in start-ups and digital ventures.
7 August 2023	Axiata received the final cash consideration amounting to RM402.0 million from CelcomDigi for the merger between Celcom Berhad and CelcomDigi which was completed on 30 November 2022.
16 October 2023	PT XL Axiata Tbk (XL) had fully repaid its IDR149.0 billion (RM44.4 million) Sukuk Ijarah II Tranche I Year 2018 Series C which matured on 16 October 2023 and which, carried an annual fixed Ijarah return of IDR14,304.0 million (payable on quarterly basis) and had a tenure of five (5) years from the date of issuance. Additionally, XL also; fully repaid its IDR131.0 billion (RM39.0 million) Bond I Tranche I Year 2018 Series C which matured on 16 October 2023 and, carried an annual fixed interest rate of 9.60% (payable on quarterly basis) and had a tenure of five (5) years from the date of issuance.
1 December 2023	Axiata Investments (UK) Limited, a wholly owned subsidiary of Axiata entered into an unconditional sale and purchase agreement with Spectrlite UK Limited for the sale of Reynolds Holding Limited (Reynolds) which owns 80.00% ordinary shares of Ncell Axiata Limited. The disposal was completed on the same day. Accordingly, Reynolds and its subsidiary thereat, Ncell (Reynolds Group) ceased to be subsidiaries of the Group and the financial results of Reynolds Group had been classified as discontinued operations.

Awards

2023

Axiata Group Berhad

- **National Annual Corporate Report Awards (NACRA) 2023**
  Excellence Award (Gold) - Companies with More Than RM10 Billion Market Capitalisation
  Best Sustainability Reporting Award 2023 (Silver)

- **Recognition of Axiata's Integrated and Sustainability Reporting by The New York ARC Award 2023**
  Combined Annual and Sustainability Report (Silver)

- **The Edge Malaysia ESG Awards 2023**
  Equity Awards for Telecommunications & Media (SIlver)

- **Forward Faster Sustainability Awards by UN Global Compact Network Malaysia & Brunei**
  Partnership for the Goals Recognition - Axiata Foundation's Axiata Young Talent Programme
  Winner of the Climate Action for the Large Company Category

- **2023 TOP SELECT PARTNER awarded by Fortinet**
  TOP SELECT PARTNER category for Hypernet (1st Place)

- **Outstanding New Comer Partner of 2023 by Huawei**
  Best 3 New Comer Company in New Comer Partner Category for Hypernet

- **Sudianto Oei Sebagai Best CEO in Emerging Growth Company dari SWA The Best CEO 2023**
  CEO Emerging Growth Company Category for Hypernet (1st Place)

- **SD-WAN/EdgeConnect Partner of the Year di Aruba Networking Partner Awards 2023**
  Aruba SD WAN/Edge Connect Solution Category for Hypernet (1st Place)

- **Excellent Performance Award in Intelligent Campus Project by Holowits**
  Campus Project Category for Hypernet (1st Place)

- **Cybersecurity Malaysia at Malaysia Cybersecurity Awards 2023**
  "Cybersecurity Project of the Year" for the Axiata Cyber Fusion Center (ACFC)

XL

- **SPEx2 Award 2023**
  Best Spex2 Company in the Telecommunication Industry

- **SMK3 Gold Flag**
  Occupational Safety and Health Management System from the Ministry of Manpower (Kemenaker) of the Republic of Indonesia

- **Customer Contact Centre Service Excellence Award 2023**
  Excellence Service Performance award for Call Centre Telecommunication and Email Centre non-Banking-Financing-Insurance categories

- **Marketeers Sustainable Marketing Excellence Award**
  Corporate Social Responsibility of the Year category

- **14th IICD Corporate Governance Award 2023**
  Top 50 Big Capitalisation Public Listed Company category
  Best Role of Stakeholders category

- **Asian Technology Excellence Awards**
  'Indonesia Technology Excellence Award for ICT Telecommunication' for XL Business Solutions (XLABS)

- **Digital Nation Award 2023 from M360 APAC**
  Sisternet won the Excellence in Innovation Video Award category

- **Service Quality (SQ) Award for XL Centre**
  Grade Diamond Service Quality Award in the Cellular Telecommunication category

- **HR Asia Best Companies to Work for in Asia Award 2023**
  Won in the Indonesia Chapter, and Digital Transformation category

- **Indonesia 4.0 by Kementerian Perindustrian Republik Indonesia**
  Digital Transformation for Smart City Enabler for XL's innovative solutions that support Indonesia's digital transformation

- **Anugerah Inspiratif Festival Liputan 6 2023 by Liputan 6**
  Inspirational Provider to Accelerate the Progress of Indonesian SME

- **Asian Technology Excellence Awards 2023 by the Asian Business**
  Indonesia Technology Excellence Award for ICT-Telecommunications

- **IDX Channel Anugerah Indonesia 2023 by IDX Channel**
  External Relations Category 1 - Smart Mining Digitalisation for Greener Future

- **Home Credit's 10th Anniversary by Home Credit**
  Recognised as the Strong Partner who supports Home Credit Indonesia in providing the best service in Indonesia

- **DataGovAI eSummit & eAwards 2023 by Asosiasi Big Data & AI (ABDI)**
  The Best Telco Data & AI Innovator

- **Bendera Emas SMK 3 Award by Indonesian Ministry of Manpower (Kemnaker)**
  Achieved the Occupational Health & Safety Management System

Dialog

- **Brand Finance 2023**
  Most Valuable Brand of the year (5th consecutive year)
  Most Valuable Telecommunications Brand (16th consecutive year)
  'Most Loved Brand' for Financial Transactions for eZ Cash

- **SLIM-KANTAR People's Awards 2023**
  Telecommunication Brand of the year (12th consecutive year)

- **GSMA M360 APAC 2023**
  Excellence in Digital Inclusion Award for the National Fuel Pass

- **Transparency & Corporate Reporting (TRAC) 2023 by Transparency International Sri Lanka**
  Ranked #1 (joint) for its transparency and corporate reporting

- **ACCA Sustainability Reporting Awards 2023**
  Winner of the General Services Category

- **FORRESTER 2023**
  Customer-obsessed Inaugural Enterprise Award for the Asia Pacific Region

Awards

- **E-Swabhimani Awards**
  'Sayuru' was adjudged winner of the Inclusion & Empowerment category
  'Yeheli' won the Health & Well-being category
  'Saru' won the Environment and Green Energy category

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

- **SLASSCOM National Ingenuity Awards 2023**
  National Award for 'Best TECH FOR GOOD Software Innovation or Product'
  Western Province Award for 'Best TECH FOR GOOD Software Innovation or Product'

- **GSMA & SASB Reporting Standards**
  First Telecommunication Service provider in South Asia to be compliant with GSMA & SASB reporting standards - for the 2022 reporting cycle

- **ISO 27701 2023**
  The first telecommunications service provider in the country and among the select few in South Asia to be awarded the ISO 27701 certification

- **Loyalty & Engagement Awards 2023**
  Star Points won the Gold Award for the Best Loyalty Strategy in the Telecommunications category

- **Top 10 Champions of Diversity**
  Women in Management Sri Lanka together with Knowledge Partner - International Finance Corporation (IFC), honoured the Group CEO of Dialog as one of the Top 10 Champions of Diversity

- **Great Place To Work 2023**
  DBS was certified as a 'Great Place to Work' (4th consecutive year)

- **FORTINET 2023**
  Recognised Dialog Enterprise as the Best SD-WAN Partner in SAARC Region for 2022

- **VMWARE Sovereign Cloud Badge**
  Dialog Enterprise Cloud became the first sovereign cloud provider in the South Asian Region, and is one of 37 of such providers from over 4,000 global VMware cloud service providers

- **H One was recognised by Microsoft as:**
  Country partner of the year in Sri Lanka 2022/23 (2nd consecutive year)
  5 solution designations and 7 advanced specialisations (only partner in Sri Lanka)

Robi

- **SDG Brand Champion Awards 2023**
  bdapps recognised as the "Largest Developer Community in Bangladesh" in "Sustainable Community" category

- Noor won the coveted iDEA award for Innovation, Design and Entrepreneurship under the ICT Division of Bangladesh Government

- **COMMWARD 2023 by Bangladesh Brand Forum (BBF)**
  Best Art Direction for Airtel Victory Day 2022 campaign (Bronze)

- **Digital Marketing Award 2023 by BBF**
  Best Digital Experience Marketing for Airtel Victory Day 2022 campaign (Silver)
  Best Use of Mobile for Virtual Kafela campaign (Silver)
  Best Digital Experience Marketing for Virtual Kafela (Silver)
  Best Use of Data and Analytics for bdtickets weekend campaign (Silver)

- **Institute of Chartered Secretaries of Bangladesh (ICSB) National Awards**
  Corporate Governance Excellence 2022 (Gold)

- **Institute of Cost and Management Accountants of Bangladesh (ICMAB) Best Corporate Award-2022**
  Telecommunication & IT Category (Silver)

- **Institute of Chartered Accountants of Bangladesh (ICAB) National Award for Best Presented Annual Reports 2022**
  Communication & IT Category (First Position)

- **South Asian Federation of Accountants (SAFA)**
  Best Presented Annual Reports Award 2022 (Bronze)

- **World HRD Congress 2023**
  Global Best Employer Brand Award

Smart

- **Received a Certificate of Tax Compliance (Gold)**

- **2023 Frost & Sullivan Asia Pacific Best Practices**
  Cambodia Mobile Service Provider of the year
  Cambodia Mobile Data of the year

- **Amcham CSR Excellence Award 2023**
  Digital Inclusion - Large Company award

- **Earth Hour 2023**
  Special Award

- **Global Banking and Finance**
  Best Company for ESG & Sustainable Development Cambodia 2023
  Best CSR Company Cambodia 2023
  Best Telecommunications Company Cambodia 2023
  Excellence in Innovation - Mobile Telecommunication Cambodia 2023
  Mobile Telecommunication Customer Satisfaction & Happiness Cambodia 2023
  Telecom Brand of the Year Company Cambodia 2023
  The Next 100 Global Awards 2023 - Mobile Telecommunications

- **Malaysian Business Chamber of Cambodia**
  ESG Icon

- **Recognised by National Committee for Disaster Management and People in Need for the contribution in Early Warning System 1294**

- **Recognised by Minister of Education, Youth and Sport (MoEYS) for the support of National Literacy Day**

- **Received a Certificate of Appreciation from the MoEYS and the Ministry of Labor and Vocational Training (MLVT) on the significant contribution to promoting education and skill development in Cambodia through the Basic Education Equivalency Programme (BEEP)**

- **Received the appreciation letter from the Ministry of Culture and Fine Art for the significant contribution in composing the "Vireakpheap Keyla" for 32nd SEA Game and 12th ASEAN Para Games hosted by Cambodia**

Awards

EDOTCO

- **UN Global Compact Network Malaysia & Brunei (UNGCMYB) Sustainability Performance 2023**
  Pioneer Sustainable Development Action Recognition

- **Sustainability & CSR Malaysia Awards 2023**
  Company of the Year (Telecommunications Tower Company) - Best in Biodiversity & Community Support Initiatives

- **International Finance Awards**
  Most Sustainable Green Solution Initiatives Telecom

- **ACES Award 2023**
  Industry Champions

- **MSOSH Award 2023**
  Gold Class 1

- **National OHS Excellence Award 2022**
  Communications Category

- **17th EFP OSHE Awards**
  Best Practices in Occupational Safety, Health and Environment (Pakistan)

- **Integrity, Governance & Anti-Corruption Award (AIGA) 2023**
  Highest Gold Award (Top 5 in Malaysia)

Link Net

- **Indonesia WOW Brand Award 2023**
  Pay TV category for First Media brand
  Internet Service Provider category for First Media brand

- **B-Universe CSR Award 2023**
  CSR Award in the infrastructure category for Empowering Fund

- **Ministry of Manpower of the Republic of Indonesia**
  Occupational Safety and Health Management Award

- **Contact Center World Awards 2023 - Global**
  Best Home/ Remote Agent Programme Category (Gold)
  Best Leader Category (Silver)

- **Contact Center World Awards 2023 - Asia Pacific**
  Best Home/ Remote Agent Programme (Gold)
  Best Use of Self-service Technology (Bronze)
  Best Contact Center Executive/ Director (Gold)
  Best Quality Auditor (Bronze)
  Received Contact Center World DREAM Team Award

- **Zero Accident Award by Department of Manpower, Transmigration and Energy from DKI Jakarta Province**
  COVID-19 Prevention and Management Programme in the workplace (Platinum)

- **TrenAsia ESG Award**
  ESG Award in Internet Service Provider category with Sustainability category for the support of business sustainability in reducing the impact of e-waste

- **The Best Contact Center Indonesia 2023**
  Best People Development (Platinum)
  Best Business Contribution (Platinum)
  Best Technology Innovation (Gold)
  Best Customer Experience (Silver)
  Best Contact Center Operations (Silver)

- **Contact Center Asia Pacific (CC-APAC) Awards 2023**
  Business Contribution Category (Silver)

Boost

- **Malaysia Technology Excellence Award 2023**
  Digital - Financial Technology Category (BoostBills)

- **Fintech Frontiers Awards 2023**
  Female Leader of The Year (Ungku Liza, CEO of Boost Life)

ADA

- **Content Marketing APAC Awards 2023**
  Best Use of Video Content (Gold)
  Best Use of UGC (Gold)
  Best Use of Audio/Radio/Voice Content (Gold)
  Best Content Marketing Strategy (Gold)
  Best Content Marketing Strategy (Silver)

- **Hashtag Asia Awards 2023**
  Best Integrated Social Media Campaign (Gold)
  Best Social Amplification Campaign (Gold)
  Best Social Engagement Tools or Programmes: Cause Marketing (Gold)

- **Loyalty and Engagement Awards 2023**
  Best Loyalty Strategy - Automotive (Gold)
  Best Loyalty Strategy - Food & Beverage (Bronze)

- **MARKies Awards Malaysia 2023**
  Most Effective Use - Multicultural Marketing (Bronze)
  Most Effective Use - eSports Marketing (Silver)

- **Mob-Ex Awards 2023**
  Best App Install Campaign (Gold)
  Best App Install Campaign (Silver)
  Best Insights-Driven Mobile Campaign (Silver)
  Best Mobile Advertising Strategy (Silver)
  Best Mobile Campaign for a Specific Audience (Silver)
  Best Original Content (Gold)
  Best Use of Promotions (Bronze)
  Best Campaign - Consumer Goods (Silver)
  Best Campaign - Food & Beverage (Bronze)
  Best Campaign - Hospitality & Travel (Bronze)
  Best Campaign - eCommerce & Retail (Silver)
  Mob-Ex Champion - Agency (Southeast Asia)

- **DigiZ Awards 2023**
  Best Digital Branded Content (Silver)

- **Youtube Works Awards 2023**
  The Best of Festive (Winner)
  The Changemaker (Winner)
  Best of Indonesia (Winner)
  Best of Indonesia (Runner-Up)

- **Marketing Excellence Awards 2023**
  Philippines
  Excellence in Mobile Marketing (Silver)
  Excellence in Relationship Marketing (Silver)
  Excellence in Social Media Marketing (Gold)

  Thailand
  Excellence in Performance Marketing (Gold)
  Excellence in Programmatic Marketing (Bronze)
  Excellence in Personalisation Marketing (Gold)
  Excellence in Loyalty Marketing (Bronze)
  Excellence in Marketing Transformation (Silver)

Awards

Malaysia
Excellence in Communications/Public Relations (Bronze)
Excellence in Data-Driven Marketing (Bronze)
Excellence in Marketing Transformation (Bronze)
Excellence in Personalisation Marketing (Bronze)
Excellence in Gaming (Bronze)

Indonesia
Excellence in Anniversary Marketing (Gold)
Excellence in Anniversary Marketing (Silver)
Excellence in Brand Awareness (Bronze)
Excellence in Brand Strategy (Gold)
Excellence in Communications/PR (Gold)
Excellence in Consumer Insights/Market Research (Bronze)
Excellence in Consumer Insights/Market Research (Gold)
Excellence in Content Marketing (Gold)
Excellence in Content Marketing (Silver)
Excellence in COVID-19 Related Campaigns (Silver)
Excellence in eCommerce Marketing (Silver)
Excellent in Event Marketing (Bronze)
Excellence in Gaming (Gold)
Excellence in Integrated Marketing (Gold)
Excellence in Marketing to A Specific Audience (Bronze)
Excellence in Marketing to A Specific Audience (Silver)
Excellence in Marketing to A Specific Audience (Gold)
Excellence in Mobile Marketing (Gold)
Excellence in Mobile Marketing (Silver)
Excellence in Omnichannel (Bronze)
Excellence in Performance Marketing (Silver)
Excellence in Personalisation Marketing (Silver)
Excellence in TV/Video Advertising (Gold)
Excellence in Viral Marketing (Gold)
Marketer of the Year

Asia eCommerce Awards 2023
Best Brand - Fashion & Apparel (Silver)
Best Brand - Home & Office Furnishing (Gold)
Best eCommerce Campaign - B2B (Gold)
Best Use of Analytics and Data Insights (Gold)
Best Use of Analytics and Data Insights (Gold)
Best Use of Personalisation (Bronze)
Best eCommerce Consultant (Gold)
Best eCommerce Customer Service (Gold)
Best eCommerce Fulfilment (Gold)
Best eCommerce Solution (Bronze)

Campaign Asia Agency of the Year Awards 2023
Cambodia, Laos, Myanmar Creative Agency of the Year (Bronze)
Indonesia Independent Agency of the Year (Bronze)
Malaysia Independent Agency of the Year (Silver)
Cambodia, Laos, Myanmar Media Agency of the Year (Bronze)
Southeast Asia Consultancy of the Year (Bronze)
Southeast Asia Customer Engagement Agency of the Year (Silver)
Southeast Asia E-commerce Agency of the Year (Bronze)
South Asia Data Analytics Agency of the Year (Silver)
Japan/Korea Specialist Agency of the Year (Bronze)

Dragons of Malaysia Awards 2023
2023 Best Product Launch or Re-Launch Campaign (Black)
2023 Best Brand Trial or Sales Generation Campaign (Black)
2023 Best Integrated Marketing Campaign (Black)

The Global Effie Awards 2023
Product & Services: Non-Profit/Pro-Bono/Public Service (Silver)
Media: Data Driven (Gold)
Specialty Audience: Youth Marketing (Bronze)
Positive Change: Social Good: Brands, Non-Profit (Silver)

ADL

Best Web Awards 2023
Won three awards for ADL's child online safety website:
Overall Award (Silver)
Best CSR - Website Award (Gold)
Most Popular CSR Website Award (Gold)

29th annual Global Mobile (GLOMO) Awards 2024 hosted by GSMA Ltd
Winner of the inaugural Open Gateway Challenge. This recognises ADL's exceptional contribution to the mobile ecosystem through the MetaStage platform powered by Axonect Suite. Leveraging GSMA's Open Gateway APIs, ADL demonstrated remarkable innovation in simplifying integration across two operators, Dialog Axiata PLC and XL Axiata

TM Forum Excellence Award 2022
Recognised in the Cloud-native IT & networks category for "Axonect Hybrid/Multi Cloud Orchestrator to enable Axiata Digital Transformation" in digitally transforming the telecommunications industry

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 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, 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 will perform periodic reviews and respond to significant risks faced by the Group and provide reasonable assurance to ensure effective and efficient project deliverable.

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 Group's Risk Appetite Statements set out in this document shall be approved by the Board.

The Board Risk and Compliance Committee (BRCC) has been established to assist the Board to discharge its risk oversight function. Among BRCC's broad responsibilities include:

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

BRCC convenes its meetings at a minimum every quarter 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 and Managing Director (GCEO), is committed to identifying, monitoring, and managing risks associated with Axiata's business activities. They are responsible for implementing the approved risk management framework and policies, ensuring adequate controls and mitigation measures, and promoting a culture of risk awareness. The Risk and Compliance Management Committee (RCMC) has been established and chaired by the GCEO with all SLTs as members to deliberate on the significant risks and their mitigation.

Corporate Centre Operations

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

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

- Facilitate establishment, formulation, review, recommend and manage sound and best practices of risk and compliance programmes for Axiata Group of Companies
- Assist RCMC in reviewing Risk Management Procedures and its implementation by ensuring that the risk management system is operating effectively

Statement on Risk Management and Internal Control

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

Axiata's Operating Companies

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

RISK MANAGEMENT

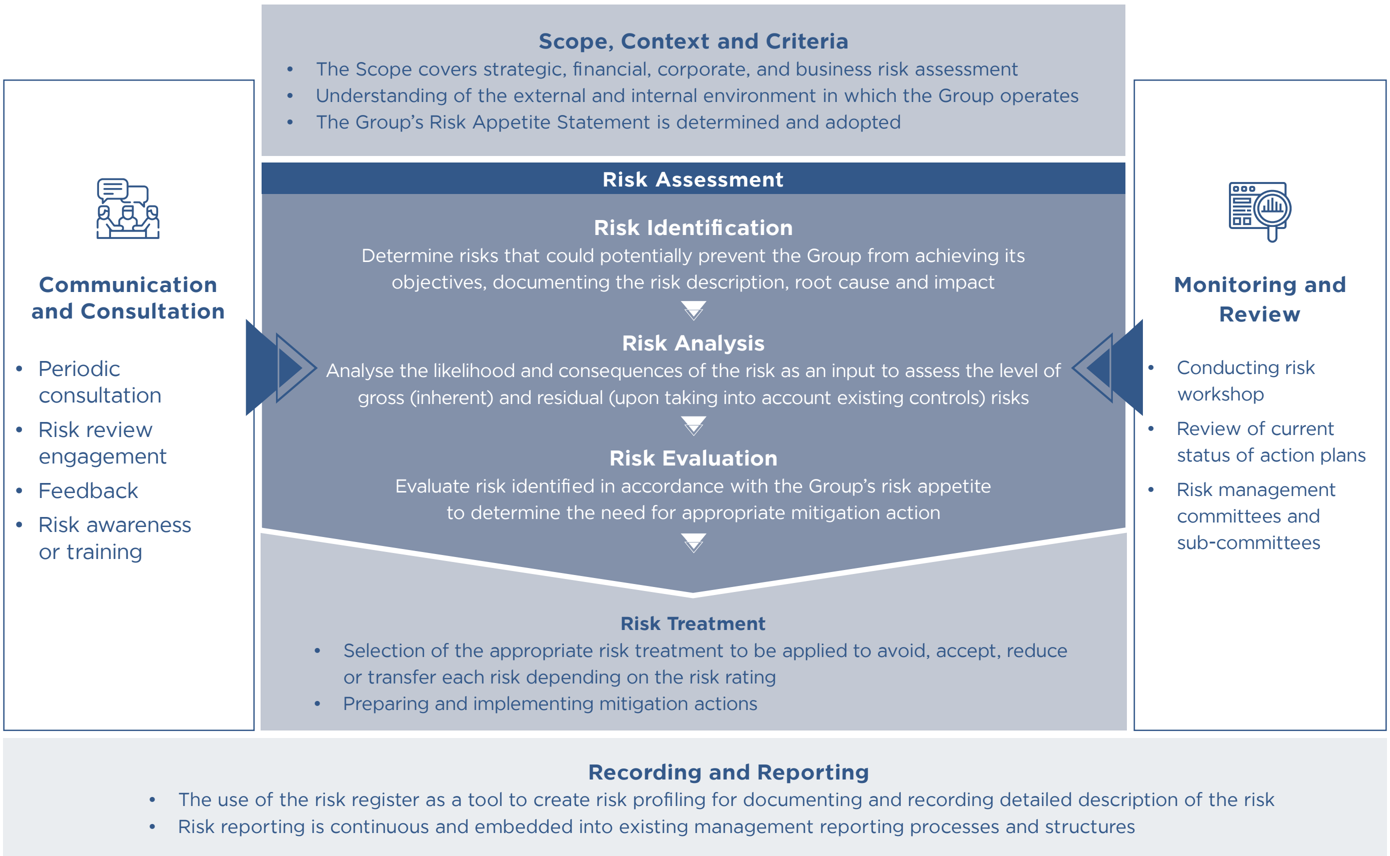
Enterprise Risk Management Policy and Framework

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

Risk Management Process

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, Axiata 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, Axiata has embraced a risk management approach, customizing the guidelines to align with the specific requirement 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 2023

In 2023, the aftermath of the COVID-19 pandemic has led to a gradual recovery in key markets, but the swift global economic reopening has introduced inflationary pressures. Central banks worldwide responded by raising interest rates to curb inflation. In South Asia, the economic outlook remained moderate, driven by factors such as elevated inflation, high interest rates, fiscal consolidation, weak external demand, and tightened foreign currency liquidity, despite a surge in post-pandemic tourism, and resilience to slowing global growth owing to a strong emphasis on service-oriented businesses. Persistent socio-political and regulatory changes, including leadership shifts and tightened regulations, were seen and expected to continue to feature strongly as countries grapple with inflation, weak domestic currency and poor recovery of external demand.

As the world continues to grapple with global economic challenges, the Middle East conflict poses emerging concerns, potentially leading to both direct and indirect economic and cyber security risks. A prolonged war may impact financial and energy markets, exacerbating the stagflation effects observed during the previous Russia-Ukraine conflict. The effects on South Asia may result in delays, extending the recovery period for frontier markets. For instance, in Sri Lanka, the socioeconomic crisis has both delayed and strained the recovery process. Cybersecurity threats are heightened, particularly targeting countries sympathising with either side of the conflict.

Climate change requirements and regulations continue to evolve, becoming a mandatory agenda for leading companies. The supply chain and third-party sources are undergoing consolidation in the ecosystem, resulting in fewer and larger players. In addition, the following key risks for the Group were also observed in FY2023.

Key Risks and Mitigation

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

RISK	MITIGATION
Financial Risk The Emerging-market currencies have been weakening against the USD, due to rising US interest rates and inflationary pressures, exposing Axiata and its OpCos across 9 countries to the following risk: • Foreign exchange • Interest rate volatilities • Liquidity risk	The risks are collectively managed via the Corporate Finance and Treasury functions: • Monitoring current and future outlook of the relevant economies, interest rates and foreign exchange markets • Develop hedging strategies that are governed strictly by the treasury policies • Oversee and control the Group's treasury and funding matters • Monitoring capital allocation and ensuring robust liquidity planning to ensure sufficiency of available funds to meet obligations on timely manner • Strict implementation and monitoring of the Group's capital structure guardrails such as the Gross Debt and Net Debt / EBITDA ratio, local and foreign currency debt mix, hedging of foreign currency debt (where available), fixed and floating interest rate mix, average tenure of debts and the liquidity ratio
Market Risk Axiata's OpCos continue to be challenged by stiff price competition with little certainty of possible market consolidation in certain markets.	• Strategic focus on digitization, analytics & automation initiatives internally and with external partnerships with digital players to improve revenue yield per customer • Selective industry consolidation in targeted markets • Establish strategic ties with hyper scalers 'Over-the-Top' (OTT) and digital product developers to create products and services that meets evolving customer needs • Seeking opportunities to share telco infrastructure to reduce investment cost • Investing in new technologies to improve competitive advantage and reduce future cost of gigabyte production (cost/GB)
Regulatory Risk Regulatory risk refers to the risk Axiata faces due to changes in regulations or laws exposing risk of doing business, affecting its operations or financial performance. Current regulatory risks which affect Axiata in the various markets amongst others include: • spectrum allocation, refarming, onerous spectrum & license renewal conditions • discriminatory practices favoring locally owned competitors • regulatory over-reach by policy makers and regulatory authorities • unpredictability of sector-specific taxation policies • broad range / lack of precedents of legal and regulatory frameworks. • Digital bank compliance to Fintech regulations	• Advocates strict compliance, fair and transparent practices of government policies • Joint on-ground engagement with OpCos to drive strategic regulatory positions • Thought leadership and participate in government consultations and industry association events, to foster collaboration and knowledge sharing for best industry policies and practices, including with relevant partners such as the ITU, World Bank, OECD and GSMA • Introduced improved Axiata Regulatory Compliance Framework to manage regulatory compliance risks • Established Regulatory Expert Working Group to share best practices among Axiata's OpCos • Dedicated personnel and resources to constantly monitor all relevant developments and maintain regular contact and an effective relationship with the governing authorities

Statement on Risk Management and Internal Control

RISK	MITIGATION
Cyber and Data Privacy Risk Cyber and privacy risk refers to financial losses, reputational damage, and other adverse impacts resulting from unauthorised access, use, disclosure, or destruction of sensitive information or systems due to cyber-attacks, data breaches, or other cyber/ privacy incidents.	• Implement cyber security strategy to improve overall maturity and resilience, measure maturity against National Institute of Standards and Technology (NIST) Cyber Security Framework • Perform independent benchmark and maturity reviews to validate effectiveness • Enhance detection, response, and offensive security capabilities • Enhance situational awareness and resilience through public and private efforts • Remediate identified telecom infrastructure risks through independent assessments • OpCos aligned with common KPIs collaborate to achieve Group objectives • Implement and maintain cybersecurity baseline controls through the modernization of security event monitoring and data analytics platform • Manage people risk through insider threat programmes and third-party vendor vetting, minimising vulnerabilities associated with human factors • Enhance internal cybersecurity capabilities to increase overall resilience against potential threats • Perform cyber-attack simulations and penetration testing to identify vulnerabilities and improve incident response preparedness • Integrate advanced analytics and threat intelligence to gain insights into emerging threats and proactively adapt our defences • Active participation in public-private partnerships with government agencies to address regional cyber threats, promote knowledge sharing, and leverage expert capabilities of Axiata Cyber Fusion Center • Implementation of privacy control gate points to improve the Data Privacy control maturity of Operating Companies of Axiata
Operational Risk Axiata's overall operations and assets expose the company to various operational risks, such as supply chain disruptions, technical failures, partner failures, human errors, wilful acts, and natural disasters. These risks could have significant adverse effects on the company's core business and operations, exposing it to operational risk.	• Supply chain strategy would be to work with the existing incumbent supplier(s) in a partnership mode to leverage on the existing scale, whilst working with the best in the region, with higher dependency on supply chain deliveries from multiple locations within Asia region considering it is more stable and less impacted/ influenced from Geopolitical risk • While Axiata looks to further streamline major/ key suppliers as strategic partners, we are constantly in exploration of market opportunities across the range of existing major suppliers' business portfolio is continued in parallel
Geopolitical Risk Axiata is exposed to political instability, civil unrest, and social tensions, resulting in uncertainties and arbitrary actions that can disrupt its business, lower market sentiment, and undermine investor confidence.	• Axiata actively tracks market geopolitical developments and works closely with the Management of the respective OpCos, leveraging on their local expertise, knowledge, and ability to continually assess the changing political scenario and have in place various measures to ensure a timely response in the event of such occurrences • Axiata's emphasis is on maintaining a neutral government relation and contribute to the socio-economic development of these countries through various Corporate Social Responsibility (CSR) initiatives, as highlighted in the Annual Sustainability and National Contribution Report • Managing capital with the establishment of a Capital Management Framework
Strategic and Investment Risk Strategic and investment risks are the potential losses that Axiata may face from changes in market conditions, shifts in consumer preferences, changes in technology, or failure to make timely and accurate investment decisions. These risks may result in a decline in the value of Axiata's investments, an inability to achieve strategic goals, and a loss of market share, which may adversely affect the Group's financial performance and operations.	• Axiata closely monitors the competitive landscape, explores, and makes appropriate investments to upgrade its technology and platform and reviews the relevance of its products and services offerings to stay in the game • Practices prudent cost management • Establishes strong strategic alliances with network vendors to keep pace with technology shifts • Venturing into new growth areas to create additional revenue streams • Diversifying revenue streams across geographies, markets, and business lines • Strategic & Investment Team proposed to remove the statement, importance of the statement has been reduced due to acquisition of Linknet • Mergers and Acquisition Committee chaired by the GCEOs oversees all acquisitions and divestments and, at the same time, maintain a robust due diligence process to evaluate and manage the potential risks involved • Post-acquisition, transition teams are formed to ensure the proper implementation of organisational and cultural changes necessary to integrate the acquired company successfully • To mitigate exposure in Frontier Markets, Axiata manages capital per its "Capital Management Framework"

Statement on Risk Management and Internal Control

RISK	MITIGATION
People Risk People risk is the possibility of harm to Axiata's operations resulting from the actions, decisions, or behaviour of employees or other individuals, including fraud, misconduct, employee turnover workforce planning, and employment-related legal issues.	• Axiata's Talent Management team adopts a dynamic talent acquisition approach for talents in the market whilst developing its own people through robust talent development programmes, attractive performance-based rewards and providing a safe and healthy work environment • Axiata advocates staff empowerment to allow for employees to respond to rapidly changing customer demands and work processes • Employee engagement is also critical for Axiata to motivate and keep employees engaged as failure to do so could reduce overall morale, increase attrition, and ultimately affect Axiata business • Moving in pace with the distributed workforce and changed ways of working, alternative sources of talent pools and modes of engagement such as contract, gigs and others are being included. This is particularly key for digital talents • Policies and self-declared documents from our people via the Code of Conduct and Conflict of Interest that sets out rules and guidelines on how personnel are expected to conduct business and behave themselves are updated periodically
Technology Risk Technology risk refers to potential harm or losses that Axiata may experience due to the use or implementation of technology, including risks associated with technical failures, obsolescence, system interdependencies, inadequacies, disruptions, and technical debt.	• To remain relevant, Axiata constantly reviews and refreshes its technological capabilities and standing yet maintain financial prudence • Future proofing is therefore identified as a critical criterion in selecting network equipment and is built into the procurement process • Axiata is closely studying the technological advancements in the mobile communications industry, whilst carefully crafting the future network strategy • Emphasising cost optimisation by reducing operating cost, increasing efficiency in operations, and improving supply chain management • Investing in new technologies and partnerships to collaborate with others to leverage synergies • Minimise the risk of technology debt but conducting thorough due diligence before investing in technologies
Governance and Integrity Risk Governance and integrity risk refers to potential losses or damage to Axiata's reputation and financial performance due to failures or weaknesses in its governance, compliance, and ethical practices. Concern on meeting requirement from the rising ESG mandates and expectations by investors and key stakeholders ESG, achieving ESG targets set which includes the Axiata commitment to manage, monitor and report material climate risks and opportunities in line with the TCFD recommendations and Axiata's Net Zero agenda.	• Axiata continues to focus on maintaining and further developing the strong ethical platform and corporate governance standard to support and ensure its business integrity and continuing strong performance • Implement Compliance programme and enhance overall maturity • Implement Anti-Bribery and Anti-Corruption (ABAC) adequate procedures Revision of policies and procedures, realignment of processes with appropriate control mechanisms • Establishment of automated systems • Mandatory training for all employees • Roll out of awareness programmes • Perform independent benchmarks to ensure the adequacy and effectiveness of the Compliance programme • Introduce technology to identify, assess and manage ABAC risk • Continue to enhance overall strategy and framework to drive sustainability initiatives and programmes across the Group in a structured and cohesive way • Provides advisory support and capacity building/training for the sustainability teams in all OpCos • Focus on review of GHG emission baseline, establishing scope 3 and decarbonisation pathway, for purposes of SBTi validation of targets • Implement climate risk and opportunity management plans

INTERNAL CONTROLS

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

Internal Control Initiatives

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

People Management

Integrity and Ethical Values

Code of Conduct and Practice

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

Statement on Risk Management and Internal Control

Guidelines on Misconduct and Discipline

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

Whistle-Blowing Policy and Procedures

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

Organisation Structure

Clear Organisation Structure

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

Commitment to Competency

Competency Framework

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

Performance Management

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

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

Training and Development Framework

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

Talent Development and Succession Planning

There is a Talent Management Framework in place to identify and develop a talent pipeline within Axiata and the OpCos as a pipeline for future leadership demands. In this respect, Axiata strives to achieve a target of identifying successors for Critical Leadership Positions across Axiata Group that provides a cover ratio of 2:1 from within the organisation with its efforts in making these talents ready to succeed the current top management across Axiata and OpCos. This is done via structured leadership development programmes, mentoring and coaching, regular leadership readiness assessments, and cross-functional and cross-country assignments.

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

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

Process Management

Control Activities

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

Policies and Procedures

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

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

Limits of Authority (LoA)

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

Statement on Risk Management and Internal Control

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

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

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

Insurance and Physical Safeguard

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

Regulatory and Compliance

Group Regulatory Affairs (GRA)

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

This approach encompasses:

Regulatory Strategy:
- Constant monitoring of regulatory developments and identification of regulatory issues for each OpCo based on issues of highest strategic, financial and/or reputational impact
- Periodic review of OpCo annual regulatory strategies which addresses these issues. This would translate into an advocacy plan engaging regulators and other authorities through formal and informal submissions and where appropriate, joint advocacy with international partners
- Development of Group-wide positions on key issues such as regulations for the digital economy, digital financial services regulations, spectrum policy, taxation, industry sustainability and regulatory fairness, digital competition and others
- Establishment of a Regulatory Experts Working Group across Axiata's OpCos to enable systematic sharing of expertise on best approaches in resolving common regulatory issues, including effective stakeholder management, developing core arguments and positions, building 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 Axiata's corporate governance and states the principles and the tone by which regulatory compliance is to be approached and implemented
- Underpinning the framework is the understanding that Axiata and OpCos shall comply with all applicable laws and regulations, regulatory obligations, and governmental policies in the jurisdictions in which it operates, and that regulatory advice should be obtained in an efficient and cost-effective manner as and when required
- GRA regularly embarks on ensuring a Group-wide baseline of best practice regulatory skills and knowledge, through the development of industry collaterals, position papers and regular capacity-building programmes.

Information and Communications

Information and communications are key elements that supports the other components to work effectively and efficiently to maintain and build a strong and positive image of Axiata across its operating footprint. In Axiata's efforts to transform to become The Next Generation Digital Champion, digital and online communication tools and platforms have become the mainstay of connecting with the public as well as employees seamlessly and purposefully. Social media is used to engage and share information with diverse communities across the footprint and to engage and keep employees informed of activities and corporate development exercises in a timely manner has become more important and relevant.

Employee Communications

Group People Division and Group Corporate Communications also function as employee communications managers, proactively keeping employees within the Corporate Centre and across the OpCos informed and engaged on new developments, activities and announcements. This is achieved using face-to-face and online engagements such as quarterly Group-wide townhall sessions, virtual sharing sessions and facilitation of employee activities. In addition, the team has introduced various digital platforms such as Intranet portals and internal social media as tools for internal communications, in line with Axiata's digital ambition. This includes e-mail and electronic direct mail service while leveraging social media platforms such as the company'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 and generally, ensuring the transparent and quality representation and position of the Group's interests and plans. The role also requires proactively and reactively managing issues and address any misinformation and misrepresentation that may in any way, impact Axiata's reputation.

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

Statutory disclosure

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

Sustainability and Governance

The Group Sustainability Department is responsible for the development, implementation, and management of ESG-related programmes and initiatives guided by a Group Sustainability Framework, applicable across the Group, for consistent and effective adaptation. Group Sustainability will ensure adherence to sustainability-related frameworks, guidelines, and standards both locally and internationally (including the Bursa Malaysia's enhanced sustainability reporting requirements within the Main Market Listing Requirements, the United Nations Sustainable Development Goals (UN SDGs), and the Global Reporting Initiative (GRI) Standards).

Group Sustainability regularly communicates on its sustainability approach, priorities, and performance with external stakeholders. The annual Sustainability & National Contribution Report 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 and National Contribution Report in compliance with the most current local regulatory requirements (e.g., stock exchanges) and GRI Standards. Several other platforms and methods of communication are further adopted such as Axiata's corporate and sustainability 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 townhalls, events, briefing sessions, one-on-one meetings, electronic direct mail (EDM) marketing and/or updates on Axiata's intranet site. In addition, Group Sustainability works collaboratively with other key functions (e.g., Investor Relations) to engage with investors and respond to external ESG rating agencies or analysts for purposes of improving the position and ranking on sustainability indexes and recognised ESG ratings.

Crisis Communications

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

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

Monitoring

Monitoring covers the oversight of internal control by management or other parties outside the process or the application of independent methodologies, such as customized 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 overseeing the conduct of Axiata's operations. Through these mechanisms, the Board is informed of business performance and all major control issues on internal control, regulatory compliance and risk-taking. This ensures that business objectives stay on course.

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

Statement on Risk Management and Internal Control

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

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

Ongoing Monitoring

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

Technology Management

Security (Application and Information Technology (IT) Network)

Business Continuity Management (BCM)

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

Information Technology (IT)

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

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

CONCLUSION

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

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

JOINT VENTURES AND ASSOCIATES

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

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR, Messrs. PwC has 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 Axiata and OpCos.

This statement is made in accordance with the resolution of the Board of Directors dated 27 March 2024

Board Audit Committee Report

Summary of the Board Audit Committee's Key Activities in 2023

During the Financial Year ended 2023 (FY23), the Board Audit Committee (BAC) discharged its functions and carried out its duties as set out in the Terms of Reference (ToR). Key activities undertaken by the BAC include the following:

Activities Undertaken in 2023

- Reviewed Corporate Governance (CG) Framework across the Group in line with MCCG & MSWG CG requirements
- Reviewed BAC membership composition to support Board on changing governance and regulatory landscape in relation to CG Strategic Priorities 2021-2023, as well as effective oversight over Opcos
- Reviewed the progress of ESG governance, framework, standards, baselining, process, controls, and reporting across Axiata Group
- Completed the review and enhancements of BAC Terms of Reference across the Group in relation to the updated Bursa Listing Requirements on Conflict of Interest (COI) issued in 2023
- Reviewed the COI Report (COI declaration by Directors, Key Management Personnel, and employees in 2023) of Corporate Centre
- Reviewed and recommended the Statement on Corporate Governance, Statement on Risk Management and Internal Control and BAC Report for inclusion in the Annual Report to the Board for approval
- Reviewed the FY2023 audited Group Financial Statements, quarterly financial results and announcements to Bursa prior to recommending to the Board for approval, including:
  - Discussed and resolved all Key Accounting Matters which arose during the year
  - Reviewed assessments of goodwill for impairment across the Group
  - Reviewed compliance by Axiata Group and its Operating Companies with the accounting standards issued by International Financial Reporting Standards (IFRS) and incorporated in Malaysian Financial Reporting Standards (MFRS)
- Reviewed the carrying value of assets and its useful life in particular those assets on the older technology (2G, 3G and 3.5G) with 4G network expansion and the upcoming 5G technology roll out
- Reviewed the accounting impact and accounting entries arising from merger and acquisition deals (including goodwill impairments) and revised accounting policies when required for better governance and controls
- Reviewed the potential exposure of major investments made by the Group
- Reviewed the Group Treasury risks and controls in relation to cash positions, foreign and local debts, compliance to debt covenants, and interest expenses optimisation
- Reviewed the Group foreign currency exposure, impact of currency translation on Axiata Group's Financial Statements in view of volatile economic environment, geo-political situations, interest rate movement and currency volatility
- Reviewed on a quarterly basis the related party transaction entered by Axiata pursuant to the shareholders mandate on Recurrent Related Party Transactions (RRPT) procured at the 31st AGM of the Company held on 26th May 2023 and the reporting of these transactions in the 2023 Financial Statements
- Reviewed business control incidents (BCIs) including fraud
- During the financial year ended 31st December 2023, Axiata has granted a total of 8,127,400 shares under the Axiata Group Long Term Incentive Plan (details provided under Notes 14 of the Audited Financial Statements) at the Share Reference Price of RM2.46. The BAC has reviewed Report of the Independent Auditor on the allocation of the above shares granted to eligible employees (as defined in the Bye-Laws) and noted its compliance with the conditions for the allocation of shares approved
- Reviewed and approved changes to Corporate Policies and Limit of Authority (LOA) for Procurement and Branding, Advertising, Marketing Sponsorship (BAMS)
- Reviewed and approved appointment of external auditors, taking into consideration their competencies, commitments, objectivity and independence, including reviewed and recommended to the Board the fees payable
- Reviewed the external auditors' audit plan, auditors' independence/ objectivity, and external audit findings
- Held two (2) private meetings with the external auditors on 21st February 2023 and 27th November 2023 without the presence of Management. The topics that were discussed were key matters noted from audits, the sufficiency and adequacy of information provided to external auditors to perform the audit, competencies of the Group Finance personnel and cooperation provided by the Management
- Reviewed and approved the non-audit services to the external auditors after due consideration that the transparency and independence of the external auditors remain intact

Internal Audit activities:

- Reviewed the execution of 2023 Audit Plan across the Group in terms of audit findings and timely closure of major audit issues. A total of 106 internal audit reviews were completed across the Group including:
  - Reviewed the effectiveness of Anti-Bribery and Anti-Corruption (ABAC) controls and operationalisation e.g. Review of BAMS for High Risks Transactions and Review of Group-wide Procurement (High Risks Transactions) process and controls
  - Review of Group-wide IT Fixed Assets Management for process and controls effectiveness
  - Reviewed the Cyber Security, Data Privacy and IT System User Access Management governance, process, and controls across the Group
  - Reviewed the Revenue Assurance governance, process, and controls across the Group
- Reviewed and approved the Group Internal Audit Plan and Budget 2024
- Reviewed the Group IA Charter and Group IA Manual for continuous improvements and enhancements
- Provided oversight and reviewed the Internal Audit Function effectiveness, independence, objectivity, resources adequacy, competencies and Quality Assurance:
  - Commissioned in 2023 an External Quality Assurance Review (EQAR)/ assessment by an independent 3rd party on the independence of IA Function and its effectiveness vis a vis the international standards of internal auditing
  - Continue to oversee the Group-wide Internal Audit Mobility Programme for IA talents development, movement and retention
  - Continue to support auditors competencies and training requirements including Continuous Auditing & Artificial Intelligence through adequate budget allocation
- Continue to support the expansion of "Continuous Auditing" and the use of artificial intelligence in specific used cases in keeping up with the business digitalisation and IR 4.0 technologies in a number of their High Risks High Value business areas such as Sales, Procurement, IT User Access, Payments, Fixed Assets Register & CWIP, Warehouse/ Inventory Management, Employees Claim, etc.

Board Audit Committee Report

- Reviewed the security, independence, and awareness of whistle blowing channel established for employees and other stakeholders including business partners/ suppliers
- Reviewed the Whistleblowing Dashboard, investigations outcome and consequence management

Priorities for 2024

- Review of ESG Framework, Process & Reporting
- Review of Corporate Governance, Controls & Compliance
- Review of COI situations
- Review of Group Financial Statements in line with IFRS and MFRS
- Review of the carrying value of assets and its useful life and goodwill for impairment, in particular those assets on the older technology (2G, 3G and 3.5G) with 4G network expansion and the upcoming 5G technology roll out
- Review of the Group foreign currency exposures, impact of currency translations on Axiata Group's Financial Statements consequent to persistent volatile economic environment, geo-political situations, interest rate movements and currency volatility
- Review of the Group Treasury risks and controls in relation to cash, foreign and local currency, compliance to debt covenants
- Review of Related Party Transactions (RPT)
- Review of external auditors' audit plan, auditors independence/ objectivity, performance, appointment and re-appointment, external audit findings and its resolutions
- Review the effectiveness of ABAC operationalisation in relation to Adequate Procedures (T.R.U.S.T.)
- Review the effectiveness of governance, risks management and internal controls systems & process across the Group in the areas of:
  - Data Governance (Framework, Process & Controls)
  - Enterprise Risks Management (ERM)
  - Network Capex Allocation
  - Regulatory Framework & Compliance
  - Merger & Acquisition Framework & Process
- Review the execution of 2024 Internal Audit Plan, audit findings and closure of major audit issues
- Review enhancements of Internal Audit Function effectiveness, independence, objectivity, resources adequacy and competencies, including:
  - Review internal auditors training programme on relevant and new competencies such as continuous auditing and artificial intelligence
  - Support Internal Audit in the expansion of "Continuous Auditing" and use of artificial intelligence to keep Internal Audit relevant with technologies evolution and business digitalisation
  - Review enhancements to Internal Audit activities post EQAR
- Monitoring of security, independence and awareness of whistle blowing channel for employees, business partners/ suppliers and other stakeholders
- Review of Group-wide BCIs and mitigation measures

Composition and Meetings

In 2023, the BAC, met ten (10) times on the following dates:

- 31 January, 2023
- 14 February, 2023
- 21 February, 2023
- 21 March, 2023
- 24 May, 2023
- 4 August, 2023
- 25 August, 2023
- 8 November, 2023
- 27 November, 2023
- 1 December, 2023

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

Name of Director	Status of Directorship/ Qualifications	No. of Meetings Attended
Thayaparan Sangarapillai (Chairman of BAC)	Independent Non-Executive Director	10 out of 10
Dr. David Dean	Independent Non-Executive Director	9 out of 10
Shahin Farouque Jammal Ahmad	Non-Independent Non-Executive Director	10 out of 10

Financial Literacy

Thayaparan S Sangarapillai was appointed as a member of the BAC on 18th March 2020 and was redesignated as the BAC Chairman on 29th July 2020. He brings with him wide ranging and extensive experience of over 40 years in the areas of audit and business advisory services for a wide range of industries which includes major public listed companies in the power, telecommunications, automotive, property development, plantation and manufacturing sectors. He is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants.

Thaya is a highly respected leader, experienced in corporate governance, risk management practices, internal controls and external financial reporting. Thaya brings significant expertise in understanding of complex and technical areas specifically in conducting due diligence for M&As, securities transactions, business reviews in enabling strategic decision making, and financial reporting. He is a Board member, Chairman of the Governance & Audit Committee and member of the Risk Management & Sustainability Committee of Sime Darby Berhad. He was previously a member of the Board, Chairman of the Audit Committee and Chairman of the Risk Committee of AIG (Malaysia) Berhad. Thaya was a Board member and Chairman of the Audit Committee of Alliance Bank Malaysia Berhad. He also had served as Independent Non-Executive Director, Chairman of Risk Committee and member of Audit Committee of Petroliam Nasional Berhad.

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

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

Board Audit Committee Report

Shahin Farouque Jammal Ahmad is currently the Group Head, Strategic Investments of Permodalan Nasional Berhad. Previously, he was an Executive Director in Investments Division of Khazanah Nasional Berhad (Khazanah). He sat on the boards of various creative and media companies within the Khazanah portfolio of companies. Prior to joining Khazanah in 2016, he worked with various commercial and investment banks in both domestic and regional roles. He has over 20 years of investment banking experience.

Group Internal Audit

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

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

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

AGIA adopts a systematic and disciplined approach to evaluate the adequacy and effectiveness of risk management, financial, operational, compliance and governance processes. Structured risk-based and strategic-based approaches are applied in identifying internal audit activities that are aligned with the Group's strategic plans to ensure that the risks facing the Group are adequately reviewed to keep up with Axiata's Vision of Next Generation Digital Champion and making digitalisation as part of the Internal Audit's DNA. AGIA continued the Collective Brain initiative for continuous auditing and artificial intelligence across the Group. Consequently, key OpCos Internal Audit Functions continue to apply analytics, continuous auditing, and artificial intelligence in relevant audits throughout the year for higher quality of audit works in terms of efficiency, effectiveness, completeness, risks focus, accurate and quantifiable audit findings.

On the Quality Assurance and Improvement Programme, in 2023, the IA Functions across the Group had gone through an External Quality Assurance Review undertaken by an independent 3rd party in which it was concluded that the IA Functions conformed to the International Standard of Internal Auditing.

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

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

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

Key audits and reviews completed in 2023 were:

- Global Audit on 2022 SORMIC Declaration
- Global Audit on Cybersecurity
- Global Audit on IT Fixed Asset Management
- Global Audit on Data Privacy
- Global Audit on Procurement High Risk Transactions
- Global Audit on Revenue Assurance
- Global Audit on User Access Management
- Audit on Branding, Advertising and Marketing Sponsorship Process & Adequate Procedures of ABAC

The total cost incurred by AGIA in 2023, inclusive of all OpCos, was RM14.4 million[1] (2022: RM18.3 million). There are a total of 65[1] (2022: 81) internal auditors across the Group whilst AGIA at Corporate Centre has ten headcounts.

Note:
[1] 2023 excluded Celcom and Ncell and included Link Net

Expertise Category	Percentage of total auditors
Accounting/Finance	38%
IT/MIS	18%
Network/Engineering	18%
Marketing/Sales	12%
General/Others	15%

Professional Category	Percentage of total auditors
Professional Certification	
• CPA, ACCA, CA, CIMA	28%
• CIA/CISA	17%
• Undertaking Professional Certification	35%
• Others	49%
Professional Body Membership	
• Institute of Internal Auditors (IIA)	35%
Postgraduate	
• PHD, MBA and Masters	42%
• Undertaking - PHD, MBA, Masters	5%

Building Digital Trust Through Data Privacy and Cyber Security

To become The Next Generation Digital Champion and evolve as a Multi-Platform Builder, Axiata emphasises the importance of digital trust. Our commitment lies in serving the digital and connectivity needs of over 162 million mobile customers and over 173,000 enterprises across ASEAN and South Asia.

Axiata places a high priority on data privacy and cyber security, guided by our core values of Uncompromising Integrity and Exceptional Performance (UI.EP). Our efforts in these areas are crucial for building and maintaining customer trust, which is key for our long-term sustainability, adaptability and resilience. This focus ensures we continue to operate at high-performance levels without interruption.

OUR PRIVACY COMMITMENT

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

WE ARE GUIDED BY OUR

VISION

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

MISSION

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

FOUNDED ON PRINCIPLES OF

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

DATA PRIVACY

Protecting stakeholder data privacy and security is a key consideration of our operations. We have developed a robust culture centred around compliance and proactive data protection to safeguard data privacy. Our adherence to stringent, Group-wide data privacy practices demonstrates our commitment to treating data with the utmost respect, care and diligence.

The oversight of data privacy falls under the purview of the Board Risk and Compliance Committee and is supported by the Risk and Compliance Department. To strengthen data privacy capabilities, each of our Operating Companies (OpCos) has appointed a Data Privacy Officer (DPO) or a Privacy Lead.

Commitment to Data Privacy

The foundation of Axiata's Privacy Commitment rests on the T.R.U.S.T principles, which are Transparent, Rights, Use, Security and Transfer. This set of guiding principles reflects our commitment to establishing robust security and privacy governance across technology, processes and people.

To reinforce this commitment, we have enacted policies such as the Group Data Privacy Policy and Privacy Notices, which are available on our website. Other policies supporting Axiata's Data Privacy policy and practices include the Data Retention Procedure, Data Subject Rights Procedure, Privacy by Design Guidelines, Data Protection Impact Assessment Procedures, Privacy Incident and Privacy Breach Management Procedure, Vendor Privacy Management Process Flows and the Information Security Policy.

Building Digital Trust Through Data Privacy and Cyber Security

Axiata upholds a mature data privacy risk posture. Our Privacy maturity has evolved over the years. In 2020, the aggregate privacy maturity level of Axiata Group was 1.4. In 2023, the Group's aggregate privacy maturity level, based on self-assessment, increased to 3.0. We achieved this by aligning with globally recognised best practices through our Data Privacy maturity framework.

In 2023, organisations globally experienced increase in privacy breaches and cyber attacks. We vigilantly monitored this by identifying attack sources and prioritising adequate measures with critical data flow analysis, Data Privacy Impact Assessments, Entity Level Assessments and Regional Regulatory posture reviews.

Despite the challenges posed by the lack of data privacy regulations in some of the markets we operate in, we remain confident in our ability to navigate these obstacles and stay up-to-date with the constant global regulatory changes.

Key Highlights in 2023

In 2023, we made significant progress towards strengthening our data privacy governance. We enhanced our approach to managing data privacy, with the Board of Directors overseeing the privacy policy and strategy through the Board of Risk and Compliance Committee (BRCC). This strategic direction was essential in ensuring that our organisation-wide data privacy initiatives were aligned and effective.

We strengthened our operating model by establishing Data Privacy offices in the OpCos and adopted the Three Lines of Defence model, an industry-standard risk management framework that Axiata utilises to enhance its governance and integrity risk management processes. We conducted comprehensive Data Privacy Impact Assessments and Data Privacy due diligence exercises for both internal processes and critical third parties. These assessments were important in identifying threats and initiating remediation activities. Our engagement with third parties carry heightened risks. Our OpCos adeptly managed these risks by incorporating Third Party Data Privacy Assessments into their operations.

Enhancements were made to our data privacy protocols by implementing privacy measures to improve Data Privacy maturity across our OpCos. This proactive approach protects the privacy of our employees and customers, as evidenced by the absence of significant privacy breaches within the year.

We also expedited the Risk Management methodology across our Data Privacy departments. This initiative, aligned with global best practices, has further strengthened our commitment to maintaining robust data privacy standards across the Group.

To cultivate a consistent and compliant culture around data privacy, we organised regular regional meetings, forums and conferences to share valuable insights on emerging trends from thought leaders and subject matter experts. We also invested in developing and implementing mandatory data privacy training programmes for all levels of employees. This initiative has been key in fostering a strong culture of privacy awareness and vigilance, ensuring that data protection remains a top priority across Axiata. At the end of 2023, 98.2% of our employees completed the required training and awareness programmes for Data Privacy.

We continue to strengthen our privacy capabilities to comply with regulations and elevate our ESG maturity. Prioritising privacy can help us strengthen trust with stakeholders and demonstrate our commitment to responsible business practices.

Outlook in 2024 and Beyond

The Data Privacy Strategy (#ASH 3.0) has been updated to enhance the Data Privacy Maturity framework. The update leverages Cyber and Technology capabilities to improve Data Privacy Risk Management, embeds Privacy into the ecosystem through privacy by design implementation, and utilises Privacy-enhancing technologies to enable secure data sharing and collaboration practices compliant with legal and regulatory guidelines.

The key outcomes of the strategy are to ensure full compliance to Data Privacy Laws and Regulations in all markets we operate, uplift the Data Privacy Maturity level of OpCos aligned to the set aspirations of Axiata, OpCos and industry specific privacy maturity benchmarks, improve the Privacy Breach Detection and Response of OpCos, build synergies through automation and leverage on existing technological capabilities.

We completed the strategic initiatives outlined in our 3-Year Strategic Roadmap for Data Privacy. Building on this achievement, we have developed our next three-year plan, #ASH 3.0 for 2024-2026. This update considers the evolving threat landscape, technological advancements, and the importance of synergising Cyber and Privacy capabilities. This strategic approach positions us to stay ahead in data privacy and effectively manage emerging risks.

We will continue to enhance our Governance in line with the Group's revised Operating Model.

Furthermore, we will strengthen our engagement with the BRCC Chairpersons across all the OpCos to ensure Privacy remains a top priority.

CYBER SECURITY

The cyber security landscape today is increasingly complex and challenging. Geopolitical tensions have raised the likelihood of targeted cyber attacks on governments and critical infrastructure. Ransomware has evolved with sophisticated tactics such as double extortion and supply chain attacks, threatening diverse business sectors. Phishing and social engineering have exploited human and organisational weaknesses, and unpatched vulnerabilities in software and IT systems remained prime targets. Cybercrime-as-a-service platforms have allowed even minimally skilled individuals to launch advanced attacks. The dual use of Artificial Intelligence (AI) in cyber security has offered both protection and means for more sophisticated attacks.

In response to the evolving and complex cyber threat environment, we continued the effective execution of the programmes outlined in the Digital Trust and Resilience (DT&R) 2023, a three-year cyber security strategy. This strategy aims to strengthen our cyber resilience and effectively manage emerging cyber threats and risks. In 2023, marking the third year of DT&R's implementation, Axiata launched key initiatives to reinforce and expand robust cyber security measures throughout the Group.

Building Digital Trust Through Data Privacy and Cyber Security

Key Highlights in 2023

Axiata achieved a significant shift implementing an enhanced security operation centre model, resulting in enhanced control, efficiency and substantial cost savings. Facilitated through the Axiata Cyber Fusion Centre (ACFC) which was launched in 2022, this approach aims to safeguard digital data for both Axiata Group and external entities, including enterprises.

The ACFC has been honoured with the prestigious award "Cybersecurity Project of the Year" by Cybersecurity Malaysia at Malaysia Cybersecurity Awards 2023.

The ACFC earned the CREST accreditation. CREST certification provides the validation that the Group meets the industry-leading standards in cyber security practices and demonstrates a commitment to maintaining a high level of security and resilience.

The ACFC received a notable visit from the Minister of Communications and Digital of Malaysia, and we demonstrated the Centre's capacity to handle diverse cyber security challenges. The Centre also plays a role in promoting cyber resilience and advancing Malaysia's status as a digitally progressive nation. It offers a comprehensive range of cyber security and business continuity solutions, specialising in modern-day threat monitoring, threat hunting and brand protection. This Ministerial visit underscores Axiata's commitment to strengthening Malaysia's cyber security infrastructure through public-private collaboration, highlighting ACFC's central role in this collaborative effort.

Strategic initiatives were implemented to uplift the maturity of the National Institute of Standards and Technology (NIST) Cyber Security Framework across our OpCos. This effort is aimed at boosting Axiata's capacity to protect against, detect and respond to cyber security threats.

We streamlined security tools and technologies through Enterprise Security Architecture, and adopted the Zero Trust principle as a key part of the DT&R strategy to improve cyber security. The Zero Trust Framework focuses on building a defence system that isolates and secures access to the organisation's most critical assets. It ensures that access to sensitive and important assets is tightly controlled, constantly monitored and regularly validated. This reduces the risk of data breaches and cyber threats.

We also conducted penetration testing to proactively identify and remediate vulnerabilities in systems, and cyber attack simulations to improve our incident response readiness. Furthermore, we improved our response capabilities by integrating threat intelligence framework and automated processes, enabling us to respond to threats swiftly and effectively.

We aligned the Cyber Risk Assessment to Enterprise Risk Management (ERM) framework for effective risk management and resilience. Through this engagement, informed risk-based business decisions and associated security investments were prioritised and executed.

Axiata strives to drive a common culture where everyone fully comprehends their role in cyber security. In 2023, we continued to hold regular engagements to share insights on emerging trends and promoted cross-divisional collaboration.

Comprehensive mandatory cyber security training programmes were developed for employees at all levels to foster a culture of security awareness and vigilance, resulting in a training completion rate of 98.5% by the end of 2023. We organised a Cyber Security Awareness Month that featured relatable scenarios that highlighted the impact of cyber threats on employees and emphasised their role in maintaining security.

At the Senior Leadership level, we conducted a hands-on ransomware wargame to provide practical exposure to incident response and ensure readiness. This initiative aimed to foster informed decision-making and proactive risk mitigation in our leadership team.

2024 and Beyond

We understand the importance of adapting cyber resilience to the evolving business and market landscapes. Having successfully navigated the path set by DT&R2023, we will be updating our cyber security strategy for the next three years, DT&R (2024-2026). Over the next three years, our strategic focus revolves around three key themes. In the first year, 2024, our primary objective is to optimise current investments by continuously refining our cyber security practices. This involves ensuring our defenses are resilient, agile, and adaptable in the face of an ever-changing threat landscape. Our commitment lies in maintaining a robust cyber security maturity posture and through continuous risk assessment of our businesses, we aim to prioritise investments based on the potential impact and likelihood of threats.

This approach adds significant value by optimising the return on security investments and directing resources toward critical areas, further enhancing our cyber security posture. Our focus will also be on the adoption of 5G security standards to safeguard our digital infrastructure, so underscoring our commitment to resilience, innovation and the seamless delivery of emerging technologies. We will continue to strengthen public-private partnerships with government agencies and regulators to address emerging cyber threats. This collaboration will facilitate knowledge sharing and allow us to leverage the expert capabilities of the ACFC. We will also build engagement with academic institutions to strengthen cyber talent development in the region.

In 2024 and beyond, we aim to automate processes by leveraging both current and emerging technologies. We will embark on the responsible and ethical integration of Generative AI to bolster our cyber security posture. With a commitment to integrity and transparency, we aim to leverage Generative AI to enhance threat detection, accelerate response times, minimise errors and overall resilience against cyber threats. This initiative not only benefits our customers, employees, and stakeholders by safeguarding their sensitive data but also empowers our employees with advanced tools for proactive defence measures. Furthermore, the establishment of cyber range will be one of the key initiatives to serve as a dynamic ground, allowing the team to simulate real-world cyber threats and responses in a controlled environment to bolster our readiness to mitigate potential threats and underscore our commitment to stay ahead of emerging threats.

Our emphasis will also be on fostering a culture of innovation within our organisation. We aspire to develop Intellectual Property in the realm of cyber security, turning it into a distinctive strategic advantage that sets us apart in the market. We will maintain an agile and adaptive security strategy that responds to evolving trends, emerging threats, and stakeholder feedback. This agility and adaptability is critical to sustaining our proactive approach to cyber security.

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 FY23 are RM3.3 million and RM7.5 million respectively.

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

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

There were no material contracts of Axiata and/or its subsidiaries, involving the interest of the directors, chief executive who is not a director and major shareholders either subsisting as at 31 December 2023 or entered into since the end of FY23 except the material contracts between Axiata and its major shareholder subsisting as at 31 December 2023 as follows:

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

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

On 1 December 2023, Axiata Investments (UK) Limited, a wholly owned subsidiary of Axiata entered into an unconditional sale and purchase agreement with Spectrlite UK Limited for the sale of Reynolds Holdings Limited (Reynolds) which owns an approximately 80.00% ordinary shares in issue of Ncell Axiata Limited (Ncell) for the following consideration:

(A) Fixed consideration of USD50.0 million (RM233.1 million) payable in two tranches of:
- USD5.0 million (RM23.3 million) on or before the date that is 6 months after completion; and
- USD45.0 million (RM209.8 million) on or before the date that is 48 months after completion.

(B) Conditional consideration which is contingent upon the future business performance and distributions declared by Ncell and is subject to Ncell receiving relevant regulatory clearances for the payment of the relevant distribution to Reynolds.

It is envisaged that the cash received shall be utilised to meet working capital requirements of Axiata.

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 Note 14(a) to the Audited Financial Statements for FY23.

Axiata PBLTIP shares granted, adjusted, vested, lapsed/forfeited and outstanding since the implementation of the plan until FY23 are as follows:

- Total number of Axiata PBLTIP shares granted: 19,170,000
- Total number of Axiata PBLTIP shares adjusted: 6,719,413
- Total number of Axiata PBLTIP shares vested: 15,546,200
- Total number of Axiata PBLTIP shares lapsed/forfeited: 4,528,367
- Total number of Axiata PBLTIP shares outstanding: 5,814,846

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 and Dr Shridhir Sariputta Hansa Wijayasuriya, none of the Directors of Axiata has been granted Axiata PBLTIP shares:-

	Granted	Adjusted[1]	Vested	Outstanding
Vivek Sood	835,400	370,450	(765,800)	440,050
Dr Shridhir Sariputta Hansa Wijayasuriya	1,036,000	510,350	(969,400)	576,950

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

Additional Compliance Information

(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 FY23.

Axiata LTIP shares granted, adjusted, vested, lapsed/forfeited and outstanding since the implementation of the plan until FY23 are as follows:

- Total number of Axiata LTIP shares granted: 8,437,100
- Total number of Axiata LTIP shares lapsed/forfeited: 309,700
- Total number of Axiata LTIP shares outstanding: 8,127,400

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	1,539,100	-	-	1,539,100[2]

[2] The number of Axiata LTIP shares that may vest is 1,539,100 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 2,419,600 ordinary shares of the Company may be vested to Vivek Sood.

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

At the last AGM held on 26 May 2023, Axiata obtained a general mandate from its shareholders for the Group to enter into RRPT with related parties as set out in the Circular to Shareholders dated 27 April 2023 (RRPT Mandate). This RRPT Mandate is valid until the conclusion of Axiata's forthcoming 32nd AGM.

Axiata proposes to seek a new RRPT Mandate at its forthcoming 32nd 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 33rd AGM.

Pursuant to paragraph 10.09 (2) (b) and paragraph 3.1.5 of Practice Note 12 of the Main LR, details of RRPT entered into during FY23 under the RRPT Mandate are as follows:

Transacting Companies	Transacting Related Parties	Interested Major Shareholder/ Director	Nature of Transaction	Value of Transaction RM'000
Axiata Group Berhad and/or its subsidiaries (Axiata Group)	Telekom Malaysia Berhad and/or its subsidiaries (TM Group)	- Khazanah - Ong King How - Eysa Zulkifli	**REVENUE**	
			Telecommunication and related services	
			- Interconnect cost to TM Group	1,435
			- Infrastructure leasing and related services including managed services and field line maintenance services	83,707
			COSTS	
			Telecommunication and related services	
			- Interconnect services	4,052
			- Leased-line related services	-
			- Provision of data and bandwidth related services	1,329
			- Provision of contact centre and business process outsourcing services	17,303
			TOTAL	**107,826**

Additional Compliance Information

Transacting Companies	Transacting Related Parties	Interested Major Shareholder/ Director	Nature of Transaction	Value of Transaction RM'000
Axiata Group Berhad and/or its subsidiaries (Axiata Group)	EDOTCO Group Sdn Bhd and/or its subsidiaries (EDOTCO Group)	Axiata Group - Khazanah - Ong King How - Eysa Zulkifli EDOTCO Group - Khazanah through its wholly-owned subsidiary, Mount Bintang Sdn Bhd - Kenneth Shen is Khazanah's representative on EDOTCO's Board	**Revenue to Axiata Group/Cost to EDOTCO Group[1]** - Repair and maintenance and other service charges by Axiata Group to EDOTCO Group - Technical and management services fees and other services charges by Axiata Group to EDOTCO Group **Cost to Axiata Group/Revenue to EDOTCO Group[1]** - Infrastructure leasing and related services including managed services by EDOTCO Group to Axiata Group	 6,485 9,934 523,628
			TOTAL	**540,047**

Note:

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

Transacting Companies	Transacting Related Parties	Interested Major Shareholder/ Director	Nature of Transaction	Value of Transaction RM'000
Axiata Group Berhad and/or its subsidiaries (Axiata Group)	Khazanah Nasional Bhd and/or its other related entities (Khazanah Group)	- Khazanah - Ong King How - Eysa Zulkifli	**Revenue to Axiata Group/Cost to with Khazanah Group** - Infrastructure leasing and related services including managed services and field line maintenance services	66,506
			TOTAL	**66,506**

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

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

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

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

As at 31 March 2024, 14 outdoor structures were worked on for legalisation with applications of seven outdoor structures submitted to local authorities. Six outdoor structures are in the process of document readiness for application submission targeted in 3Q24. It was also identified that one outdoor structure does not belong to EDOTCO.

AUDITED FINANCIAL STATEMENTS

Directors' Responsibility Statement

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which have been made out in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

In preparing the financial statements, the Directors have:

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

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

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

Directors' Report

The Directors hereby submit their report together with the audited financial statements of the Group and the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

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

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

The principal activities of the subsidiaries are set out in Note 41 to the financial statements. There has been no significant change in the nature of the activities of the Group and the Company during the financial year.

FINANCIAL RESULTS

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

	Group RM'000	Company RM'000
(Loss)/Profit for the financial year attributable to:		
- owners of the Company:		
- continuing operations	(125,195)	(533,594)
- discontinued operations	(1,869,605)	-
	(1,994,800)	(533,594)
- non-controlling interests:		
- continuing operations	267,392	-
- discontinued operations	(729,750)	-
	(462,358)	-
	(2,457,158)	(533,594)

SHARE CAPITAL

During the financial year, the paid-up capital of the Company increased from 9,177.2 million ordinary shares to 9,179.1 million ordinary shares. The increase in paid-up capital of the Company was in line with the vesting of shares granted under the Axiata Group Performance Based Long Term Incentive Plan ("Axiata PBLTIP") by the employees of the Company and its subsidiaries as disclosed in Note 14(a) to the financial statements.

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

Directors' Report

DIVIDENDS

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

		Tax exempt dividend under single tier system	
		Per ordinary share Sen	Total RM'000
In respect of financial year ended 31 December:			
- 2022*	Interim	5.0	458,862
- 2022*	Interim#	4.0	367,090
- 2022	Interim	5.0	458,948
- 2023	Interim	5.0	458,954

* The dividends were subsequently paid by the Company on 20 January 2023.
\# Being special tax exempt dividend under single tier system.

The Board of Directors had on 22 February 2024, 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 2023 amounting to RM458.9 million.

RESERVES AND PROVISIONS

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

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 Group Long Term Incentive Plan ("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	
Dato Dr Nik Ramlah Nik Mahmood	
Dr David Robert Dean	
Khoo Gaik Bee	
Thayaparan S Sangarapillai	
Ong King How	
Shahin Farouque Jammal Ahmad	
Eysa Zulkifli (Alternate Director to Ong King How)	
Maya Hari	Appointed on 11 January 2023
Vivek Sood	Appointed on 24 March 2023
Dr Shridhir Sariputta Hansa Wijayasuriya	Appointed on 24 March 2023
Mohamad Hafiz Kassim	Appointed on 27 October 2023
Tan Sri Dr Halim Shafie	Retired on 26 May 2023
Nurhisham Hussein	Resigned on 30 September 2023

By way of relief order dated 8 March 2024, 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"), Tan Sri Shahril Ridza Ridzuan, Thayaparan S Sangarapillai and Shahin Farouque Jammal Ahmad retire from the Board of Directors at the Thirty-two ("32nd") Annual General Meeting ("AGM") and being eligible, offer themselves for re-election.

In accordance with Clause 110(ii) of the Constitution, Mohamad Hafiz Kassim retires from the Board of Directors at the 32nd 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 1.1.2023	Addition	Transferred	As at 31.12.2023
Direct interest				
Vivek Sood	475,500	290,300[1]	-	765,800
Dr Shridhir Sariputta Hansa Wijayasuriya	686,473	290,300[1]	-	976,773

[1] Allotment of shares pursuant to vesting of shares granted under Axiata PBLTIP.

	Number of ordinary shares of a subsidiary, Dialog Axiata PLC			
	As at 1.1.2023	Addition	Transferred	As at 31.12.2023
Dr Shridhir Sariputta Hansa Wijayasuriya				
- Direct interest	2,408,470	-	-	2,408,470
- Indirect interest	440	-	-	440[2]

[2] Shares held through his spouse.

	Number of shares granted under the Company's share-based compensation plans				
	As at 1.1.2023	Granted	Adjusted	Vested	As at 31.12.2023
Vivek Sood	599,950	1,539,100[3]	130,400[4]	(290,300)	1,979,150
Dr Shridhir Sariputta Hansa Wijayasuriya	736,850	-	130,400[4]	(290,300)	576,950

[3] The number of Axiata LTIP shares that may vest is 1,539,100 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 2,419,600 ordinary shares of the Company may be vested.

[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 Note 14(b) to the financial statements.

DIRECTORS' REMUNERATION

Total Directors' remuneration incurred by the Group and the Company for the financial year ended 31 December 2023 were RM15,409,000 (2022: RM11,222,000) and RM14,518,000 (2022: RM9,959,000) respectively. Further details are disclosed in Note 7(e) to the financial statements.

Directors' Report

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 47 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 RM15,069,000 (2022: RM14,916,000) and RM2,350,000 (2022: RM2,866,000) for the Group and the Company respectively, while total fees for audit related and non-audit services amounted to RM7,509,000 (2022: RM8,742,000) and RM3,296,000 (2022: RM4,192,000) 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 RM509,358 (2022: RM377,496).

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 27 March 2024. Signed on behalf of the Board of Directors:

TAN SRI SHAHRIL RIDZA RIDZUAN
DIRECTOR

VIVEK SOOD
DIRECTOR

Kuala Lumpur

Statements of Comprehensive Income For the financial year ended 31 December 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Continuing operations					
Revenue	6	**22,002,269**	20,020,280	**1,115,164**	1,360,470
Operating costs:					
- depreciation, impairment and amortisation	7(a)	**(7,199,986)**	(7,878,003)	**(908,055)**	(2,419,477)
- foreign exchange gains/(losses)		**143,947**	(388,816)	**86,378**	(8,630)
- domestic interconnect, international outpayment and other direct costs		**(2,479,354)**	(2,227,676)	**-**	-
- marketing, advertising and promotion		**(1,774,327)**	(1,757,810)	**(10,459)**	(10,297)
- other operating costs	7(b)	**(6,128,716)**	(5,747,014)	**(161,485)**	(139,128)
- staff costs	7(d)	**(1,719,190)**	(1,570,643)	**(159,971)**	(161,663)
- provision for impairment on financial assets		**(271,810)**	(97,223)	**(110,465)**	(138,865)
Other (losses)/gains - net	8	**(5,342)**	5,348	**(310,025)**	(148,463)
Other income/(expense) - net	9	**91,067**	(104)	**406,245**	13,565,047
		2,658,558	358,339	**(52,673)**	**11,898,994**
Finance income	10	**248,363**	223,805	**120,825**	167,597
Finance costs	10	**(2,287,869)**	(1,702,229)	**(507,585)**	(420,064)
Foreign exchange losses on financing activities		**(357,443)**	(622,879)	**(94,161)**	(32,445)
		(2,645,312)	(2,325,108)	**(601,746)**	(452,509)
Associates					
- share of results (net of tax)		**530,743**	(56,817)	**-**	-
- gain on dilution of equity interest		**110**	-	**-**	-
Joint ventures					
- share of results (net of tax)		**903**	(9,709)	**-**	-
Profit/(Loss) before taxation from continuing operations		**793,365**	(1,809,490)	**(533,594)**	11,614,082
Taxation	11	**(651,168)**	(604,860)	**-**	-
Profit/(Loss) for the financial year from continuing operations		**142,197**	(2,414,350)	**(533,594)**	11,614,082
Discontinued operations					
(Loss)/Profit for the financial year from discontinued operations	(i)	**(2,599,355)**	12,433,764	**-**	-
(Loss)/Profit for the financial year		**(2,457,158)**	10,019,414	**(533,594)**	11,614,082

Statements of Comprehensive Income For the financial year ended 31 December 2023

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Other comprehensive income/(expense) (net of tax):				
Continuing operations				
Items that will not be reclassified to profit or loss:				
- actuarial gains on defined benefit plans (net of tax)	**16,948**	656	**-**	-
- fair value through other comprehensive income	**(81,084)**	(47,698)	**-**	-
Items that may be reclassified subsequently to profit or loss:				
- currency translation differences	**687,775**	(1,629,252)	**-**	-
- net cash flow hedge	**55,737**	(341,266)	**(12,456)**	11,593
- net cost of hedging	**32,741**	63,913	**(454)**	4,515
Discontinued operations				
- currency translation differences	**171,351**	(210,974)	**-**	-
- realisation of other comprehensive expense arising from disposal of a group of subsidiaries	**362,433**	-	**-**	-
Other comprehensive income/(expense) for the financial year (net of tax)	**1,245,901**	(2,164,621)	**(12,910)**	16,108
Total comprehensive (expense)/income for the financial year	**(1,211,257)**	7,854,793	**(546,504)**	11,630,190
(Loss)/Profit for the financial year attributable to:				
- owners of the Company				
- continuing operations	**(125,195)**	(2,619,309)	**(533,594)**	11,614,082
- discontinued operations	**(1,869,605)**	12,370,386	**-**	-
	(1,994,800)	9,751,077	**(533,594)**	11,614,082
- non-controlling interests				
- continuing operations	**267,392**	204,959	**-**	-
- discontinued operations	**(729,750)**	63,378	**-**	-
	(462,358)	268,337	**-**	-
	(2,457,158)	10,019,414	**(533,594)**	11,614,082

Statements of Comprehensive Income For the financial year ended 31 December 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Total comprehensive (expense)/income for the financial year attributable to:					
- owners of the Company					
- continuing operations		**414,603**	(4,101,683)	**(546,504)**	11,630,190
- discontinued operations		**(1,367,231)**	12,145,984	**-**	-
		(952,628)	8,044,301	**(546,504)**	11,630,190
- non-controlling interests					
- continuing operations		**439,711**	(266,314)	**-**	-
- discontinued operations		**(698,340)**	76,806	**-**	-
		(258,629)	(189,508)	**-**	-
		(1,211,257)	7,854,793	**(546,504)**	11,630,190
Basic earnings per share (sen)					
- continuing operations	12(a)	**(1.3)**	(28.5)	**-**	-
- discontinued operations	12(a)	**(20.4)**	134.8	**-**	-
		(21.7)	106.3	**-**	-
Diluted earnings per share (sen)					
- continuing operations	12(b)	**(1.3)**	(28.5)	**-**	-
- discontinued operations	12(b)	**(20.4)**	134.7	**-**	-
		(21.7)	106.2	**-**	-

(i) Included in (loss)/profit for the financial year from discontinued operations are results of the following subsidiaries:

	Note	Group 2023 RM'000	Group 2022 RM'000
Celcom Berhad and its subsidiaries	5(b)(ii)	**402,000**	14,896,289
Reynolds Holdings Limited and its subsidiary	5(a)(i)	**(2,204,431)**	(2,557,392)
edotco Investments Singapore Pte Ltd and its subsidiaries	37	**(796,924)**	94,867
(Loss)/Profit for the financial year from discontinued operations		**(2,599,355)**	12,433,764

The above Statements of Comprehensive Income are to be read in conjunction with the notes to the financial statements on pages 62 to 224.

Statements of Financial Position As at 31 December 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	13	**13,920,649**	13,914,272	**13,920,649**	13,914,272
Reserves	15	**8,143,492**	10,020,787	**8,179,174**	9,641,173
Total equity attributable to owners of the Company		**22,064,141**	23,935,059	**22,099,823**	23,555,445
Non-controlling interests		**6,171,169**	6,745,291	**-**	-
Total equity		**28,235,310**	30,680,350	**22,099,823**	23,555,445
NON-CURRENT LIABILITIES					
Borrowings	16	**22,171,987**	18,347,504	**1,829,870**	1,993,956
Derivative financial instruments	18	**-**	168,717	**-**	6,363
Deferred income	19	**4,984**	3,403	**-**	-
Deferred gain on sale and leaseback assets		**63,128**	176,950	**-**	-
Trade and other payables	20	**1,365,047**	805,965	**493,327**	-
Provision for asset retirement	21	**751,400**	846,488	**135**	101
Amounts due to subsidiaries	33	**-**	-	**8,104,248**	7,941,380
Deferred tax liabilities	22	**637,130**	933,812	**-**	-
Lease liabilities	23	**10,015,513**	8,604,274	**-**	-
Total non-current liabilities		**35,009,189**	29,887,113	**10,427,580**	9,941,800
		63,244,499	60,567,463	**32,527,403**	33,497,245
NON-CURRENT ASSETS					
Intangible assets	24	**12,237,545**	13,442,150	**-**	-
Contract cost assets	25	**208,903**	138,210	**-**	-
Property, plant and equipment	26	**27,439,783**	27,200,975	**8,668**	16,869
Right-of-use assets	27	**10,942,472**	9,313,782	**-**	1,759
Subsidiaries	28	**-**	-	**15,184,812**	16,794,053
Associates	29	**15,636,033**	15,596,891	**15,532,517**	15,532,517
Joint ventures	30	**16,585**	15,682	**-**	-
Financial assets at fair value through other comprehensive income	31	**114,247**	179,180	**-**	-
Financial assets at fair value through profit or loss		**10,842**	5,758	**-**	-
Derivative financial instruments	18	**182,478**	25,945	**20,510**	3,010
Trade and other receivables	34	**912,173**	852,513	**-**	-
Amounts due from subsidiaries	33	**-**	-	**101,243**	518,252
Deferred tax assets	22	**133,002**	175,638	**-**	-
Total non-current assets		**67,834,063**	66,946,724	**30,847,750**	32,866,460

Statements of Financial Position As at 31 December 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
CURRENT ASSETS					
Inventories	32	**218,889**	216,351	**-**	-
Amounts due from subsidiaries	33	**-**	-	**529,197**	327,894
Trade and other receivables	34	**4,784,460**	6,943,592	**8,305**	2,461,042
Derivative financial instruments	18	**699**	14,931	**699**	14,931
Financial assets at fair value through profit or loss		**35**	34	**-**	-
Tax recoverable		**86,065**	67,356	**-**	-
Deposits, cash and bank balances	35	**4,612,134**	7,451,743	**1,426,660**	2,124,105
		9,702,282	14,694,007	**1,964,861**	4,927,972
Assets classified as held for sale	37	**881,436**	-	**-**	-
Total current assets		**10,583,718**	14,694,007	**1,964,861**	4,927,972
LESS: CURRENT LIABILITIES					
Trade and other payables	20	**9,293,164**	10,579,565	**225,961**	339,825
Deferred income	19	**17,389**	1,728	**-**	-
Deferred gain on sale and leaseback assets		**123,861**	119,251	**-**	-
Borrowings	16	**2,670,161**	7,088,128	**3,996**	2,162,987
Lease liabilities	23	**2,086,495**	1,839,617	**-**	1,881
Derivative financial instruments	18	**16,015**	17,925	**-**	52
Amounts due to subsidiaries	33	**-**	-	**55,251**	966,490
Current tax liabilities		**597,619**	601,102	**-**	-
Dividend payable		**-**	825,952	**-**	825,952
		14,804,704	21,073,268	**285,208**	4,297,187
Liabilities classified as held for sale	37	**368,578**	-	**-**	-
Total current liabilities		**15,173,282**	21,073,268	**285,208**	4,297,187
Net current (liabilities)/assets		**(4,589,564)**	(6,379,261)	**1,679,653**	630,785
		63,244,499	60,567,463	**32,527,403**	33,497,245

The above Statements of Financial Position are to be read in conjunction with the notes to the financial statements on pages 62 to 224.

Consolidated Statement of Changes in Equity For the financial year ended 31 December 2023

	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 2023		13,914,272	(2,167,219)	(2,235,379)	14,423,385	23,935,059	6,745,291	30,680,350
Profit for the financial year		-	-	-	(1,994,800)	(1,994,800)	(462,358)	(2,457,158)
Other comprehensive income/(expense):								
- Currency translation differences of subsidiaries		-	658,667	-	-	658,667	200,459	859,126
- Net cash flow hedge		-	-	57,704	-	57,704	(1,967)	55,737
- Net cost of hedging		-	-	31,081	-	31,081	1,660	32,741
- Actuarial gains (net of tax)		-	-	14,004	-	14,004	2,944	16,948
- Revaluation of financial assets at FVTOCI		-	-	(81,717)	-	(81,717)	633	(81,084)
- Realisation of other comprehensive expense arising from disposal of a group of subsidiaries		-	362,433	-	-	362,433	-	362,433
Total comprehensive income/(expense) for the financial year		-	1,021,100	21,072	(1,994,800)	(952,628)	(258,629)	(1,211,257)
Transactions with owners:								
- Dilution/Accretion of equity interests in subsidiaries		-	(4,572)	53	(2,798)	(7,317)	7,280	(37)
- New investments in subsidiaries		-	-	-	-	-	43	43
- Capital injection in a subsidiary		-	-	-	-	-	74,000	74,000
- Rights issues of subsidiaries		-	-	-	-	-	25,770	25,770
- Disposal of a group of subsidiaries		-	-	-	-	-	(190,292)	(190,292)
- Dividends declared to:								
- shareholders of the Company	45	-	-	-	(917,902)	(917,902)	-	(917,902)
- NCI		-	-	-	-	-	(231,894)	(231,894)
- Share-based compensation expense		-	-	6,929	-	6,929	(400)	6,529
- Transferred from share-based payment reserve upon vesting/forfeiture		6,377	-	(7,164)	787	-	-	-
Total transactions with owners		6,377	(4,572)	(182)	(919,913)	(918,290)	(315,493)	(1,233,783)
At 31 December 2023		13,920,649	(1,150,691)	(2,214,489)	11,508,672	22,064,141	6,171,169	28,235,310

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 2023

	Note	Share capital RM'000	Currency translation differences RM'000	Reserves RM'000	Retained earnings RM'000	Total RM'000	NCI RM'000	Total equity RM'000
At 1 January 2022		13,905,207	(741,705)	(1,913,128)	6,754,950	18,005,324	7,060,505	25,065,829
Profit for the financial year		-	-	-	9,751,077	9,751,077	268,337	10,019,414
Other comprehensive (expense)/income:								
- Currency translation differences of subsidiaries		-	(1,378,827)	-	-	(1,378,827)	(461,399)	(1,840,226)
- Net cash flow hedge		-	-	(341,810)	-	(341,810)	544	(341,266)
- Net cost of hedging		-	-	64,044	-	64,044	(131)	63,913
- Actuarial (losses)/gains (net of tax)		-	-	(2,421)	-	(2,421)	3,077	656
- Revaluation of financial assets at FVTOCI		-	-	(47,762)	-	(47,762)	64	(47,698)
Total comprehensive (expense)/income for the financial year		-	(1,378,827)	(327,949)	9,751,077	8,044,301	(189,508)	7,854,793
Transactions with owners:								
- Dilution/Accretion of equity interests in subsidiaries		-	20,410	(417)	(704,295)	(684,302)	(664,627)	(1,348,929)
- New/Additional investments in subsidiaries		-	-	-	(74,616)	(74,616)	669,085	594,469
- Disposal of a group of subsidiary		-	(273)	-	-	(273)	(102,572)	(102,845)
- Rights issues of subsidiaries		-	(66,824)	1,918	26,945	(37,961)	205,958	167,997
- Dividends declared to:								
- shareholders of the Company	45	-	-	-	(1,330,676)	(1,330,676)	-	(1,330,676)
- NCI		-	-	-	-	-	(234,088)	(234,088)
- Share-based compensation expense		-	-	13,262	-	13,262	538	13,800
- Transferred from share-based payment reserve upon vesting/forfeiture		9,065	-	(9,065)	-	-	-	-
Total transactions with owners		9,065	(46,687)	5,698	(2,082,642)	(2,114,566)	(125,706)	(2,240,272)
At 31 December 2022		13,914,272	(2,167,219)	(2,235,379)	14,423,385	23,935,059	6,745,291	30,680,350

The above Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements on pages 62 to 224.

Company Statement of Changes in Equity For the financial year ended 31 December 2023

	Note	Share capital RM'000	Capital contribution reserve RM'000	Share-based payment reserve RM'000	Other reserve RM'000	Retained earnings/ (Accumulated losses) RM'000	Total RM'000
At 1 January 2023		**13,914,272**	**16,598**	**21,970**	**16,108**	**9,586,497**	**23,555,445**
Loss for the financial year		**-**	**-**	**-**	**-**	**(533,594)**	**(533,594)**
Other comprehensive expense:							
- Net cash flow hedge		**-**	**-**	**-**	**(12,456)**	**-**	**(12,456)**
- Net cost of hedging		**-**	**-**	**-**	**(454)**	**-**	**(454)**
Total comprehensive expense for the financial year		**-**	**-**	**-**	**(12,910)**	**(533,594)**	**(546,504)**
Transactions with owners:							
- Dividends declared to shareholders	45	**-**	**-**	**-**	**-**	**(917,902)**	**(917,902)**
- Share-based compensation expense		**-**	**-**	**8,784**	**-**	**-**	**8,784**
- Transferred from share-based payment reserve upon vesting/ forfeiture		**6,377**	**-**	**(7,164)**	**-**	**787**	**-**
Total transactions with owners		**6,377**	**-**	**1,620**	**-**	**(917,115)**	**(909,118)**
At 31 December 2023		**13,920,649**	**16,598**	**23,590**	**3,198**	**8,135,788**	**22,099,823**
At 1 January 2022		13,905,207	16,598	20,344	-	(696,909)	13,245,240
Profit for the financial year		-	-	-	-	11,614,082	11,614,082
Other comprehensive income:							
- Net cash flow hedge		-	-	-	11,593	-	11,593
- Net cost of hedging		-	-	-	4,515	-	4,515
Total comprehensive income for the financial year		-	-	-	16,108	11,614,082	11,630,190
Transactions with owners:							
- Dividends declared to shareholders	45	-	-	-	-	(1,330,676)	(1,330,676)
- Share-based compensation expense		-	-	10,691	-	-	10,691
- Transferred from share-based payment reserve upon vesting/ forfeiture		9,065	-	(9,065)	-	-	-
Total transactions with owners		9,065	-	1,626	-	(1,330,676)	(1,319,985)
At 31 December 2022		13,914,272	16,598	21,970	16,108	9,586,497	23,555,445

The above Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements on pages 62 to 224.

Statements of Cash Flows For the financial year ended 31 December 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash flows from/(used in) operating activities	36	**7,863,037**	8,934,834	**(799,820)**	(621,927)
Cash flows (used in)/from investing activities	36	**(4,914,237)**	(11,584,996)	**4,869,031**	(1,121,619)
Cash flows (used in)/from financing activities	36	**(5,295,659)**	3,412,330	**(4,086,485)**	2,317,009
Net (decrease)/increase in cash and cash equivalents		**(2,346,859)**	762,168	**(17,274)**	573,463
Effect of exchange losses on cash and cash equivalents		**(266,167)**	(729,603)	**(9,968)**	(5,948)
Net decrease/(increase) in restricted cash and cash equivalents		**65,681**	(18,701)	**-**	-
Cash and cash equivalent classified as held for sale	37	**(390,270)**	-	**-**	-
Cash and cash equivalents at the beginning of the financial year		**6,326,194**	6,312,330	**1,453,902**	886,387
Cash and cash equivalents at the end of the financial year		**3,388,579**	6,326,194	**1,426,660**	1,453,902
Cash and cash equivalents at the end of the financial year consist of the following:					
Cash and cash equivalents in banks	35	**3,872,156**	6,468,675	**1,426,660**	1,453,902
Bank overdraft		**(483,577)**	(142,481)	**-**	-
Cash and cash equivalents at the end of the financial year		**3,388,579**	6,326,194	**1,426,660**	1,453,902

The above Statements of Cash Flows are to be read in conjunction with the notes to the financial statements on pages 62 to 224.

Notes to the Financial Statements For the financial year ended 31 December 2023

1. GENERAL INFORMATION

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

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

The principal activities of the subsidiaries are set out in Note 41 to the financial statements. There has been no significant change in the nature of the activities of the Group and the Company during the financial year.

The address of the registered office 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 27 March 2024.

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 that are applicable to the Group and the Company that are effective

The following amendments and annual improvements to published standards have been adopted by the Group and the Company for the first time for the financial year beginning on 1 January 2023:

- Amendments to MFRS 101 “Presentation of Financial Statements” and MFRS Practice Statement 2: Amendments on Disclosure of Accounting Policies
- Amendments to MFRS 108 “Accounting Policies, Changes in Accounting Estimates and Errors”: Redefinition of Accounting Estimates
- Amendments to MFRS 112 “Income Taxes”:
  (i) Deferred Tax related to Assets and Liabilities arising from a Single Transaction; and
  (ii) International Tax Reform – Pillar Two Model Rules

The adoption of the above has no significant impact to the Group and the Company during the financial year, except for the Amendments to MFRS 112. Following the adoption of the Amendment to MFRS 112 related to Assets and Liabilities arising from a single transaction, the Group has represented the comparatives of deferred taxation balances related to ROU assets and lease liabilities as disclosed in Note 22 to the financial statements. The Group and the Company have also disclosed the impact of the adoption of the amendment to MFRS 112 related to International Tax Reform – Pillar Two Model Rules as disclosed in Note 11 to the financial statements.

Notes to the Financial Statements For the financial year ended 31 December 2023

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

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

- Amendments to MFRS 101

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

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

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

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

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

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

  The amendments to MFRS 16 are not expected to have material impact to the Group.

- Amendments to MFRS 107 " Statement of Cash Flows" and MFRS 7 "Financial Instruments: Disclosures" – Supplier Finance Arrangements require entities to disclose information about the supplier finance arrangements ("SFA") that enable the users to understand the effects of SFA on an entity's liabilities, cash flows and exposure to liquidity risk.

  The amendments require the following information about SFA to be disclosed in the annual period in which the amendments are first applied:

  (a) the terms and conditions of SFAs;
  (b) the carrying amount of financial liabilities that are part of SFAs and the line items in which those liabilities are presented;
  (c) the carrying amount of the financial liabilities in (b) for which suppliers have already received payment from the finance providers;
  (d) the range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements;
  (e) the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of SFAs; and
  (f) liquidity risk information (e.g. concentration of risks; access to SFA facilities for liquidity requirement).

  The amendments to MFRS 107 and MFRS 7 are not expected to have material impact to the Group.

Notes to the Financial Statements For the financial year ended 31 December 2023

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

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

The Group and the Company will apply the following amendments to standards in the financial year beginning on/after 1 January 2025:

- Amendments to MFRS 121 "The Effects of Changes in Foreign Exchange Rates" – Lack of Exchangeability clarify that a currency is exchangeable when an entity is able to exchange it into another currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism that creates enforceable rights and obligations. If an entity can only obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, then the currency is not exchangeable. In such cases, the entity is required to estimate the spot exchange rate at the measurement date.

  The amendments do not specify how an entity estimates the spot exchange rate but permit an entity to use observable exchange rate without adjustment or another estimation technique, provided it could meet the objective for estimating the spot exchange rate set out in the amendments.

  The amendments to MFRS 121 are being assessed by the Group and the Company.

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.

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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(a) Economic entities in the Group (continued)

(i) Subsidiaries (continued)

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.

(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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(a) Economic entities in the Group (continued)

(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.

(b) Intangible assets

(i) Goodwill

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

Goodwill on acquisition of subsidiaries is included in intangible assets. 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	25 years

Notes to the Financial Statements For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(b) Intangible assets (continued)

(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 years

(iv) Brands

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

Mobile segment:	
- Cambodia	25 years
Fixed broadband segment	9 years

(v) Computer software

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

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.

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 - 25 years
Movable plant and equipment	3 - 10 years
Computer support systems	2 - 10 years

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

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

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

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.

(e) Impairment of non-financial assets

Goodwill and intangible assets 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. 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.

Notes to the Financial Statements For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(f) Financial assets (continued)

(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.

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 (losses)/ gains – 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 receivable
- 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(f) Financial assets (continued)

(iv) Impairment of financial assets (continued)

The measurement of ECL reflects:

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

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

The Group applies the MFRS 9 simplified approach to measure ECL, which uses a lifetime ECL for accrued lease receivables, finance lease receivables, trade receivables and contract assets within the scope of MFRS 15. The measurement details of ECL are disclosed in Note 34(g) to the financial statements.

General 3-stage approach for all other financial instruments

At each reporting date, the Group and the Company measure loss allowance at an amount equal to twelve (12) months ECL if credit risks of the financial assets have not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required. The measurement details of ECL are disclosed in Note 33 and Note 34(g) to the financial statements.

Significant increase in credit risk

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

The following indicators are incorporated:

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

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

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

Definition of default and credit-impaired financial assets

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

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

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

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(f) Financial assets (continued)

(iv) Impairment of financial assets (continued)

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.

(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.

(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 (losses)/gains – 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 (losses)/gains – net".

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(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.

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.

Notes to the Financial Statements For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(l) Borrowings (continued)

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).

(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 income/(expense) – 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.

Notes to the Financial Statements For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(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.

(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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(p) Leases (continued)

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

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

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

Mobile and interconnect services and sale of devices

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

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

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

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

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

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.

Notes to the Financial Statements For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(q) Revenue (continued)

(i) Revenue from contracts with customers (continued)

Digital business

Mobile advertising

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

Web channel network income

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

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

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

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

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

Television transmission and broadband services

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

Technical and management services fees

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

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.

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.

Notes to the Financial Statements For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(q) Revenue (continued)

(ii) Lease of passive infrastructure

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

Lease revenue is generated from the leasing of space on the Group's telecommunication towers, where the customers install and maintain their individual communication network equipment. Lease revenue from operating lease is recognised on a straight-line basis over the fixed and non-cancellable term of the lease agreement, irrespective of when payments are due.

(iii) Interest income

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

(iv) Dividend income

Dividend income from 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 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.

(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.

Notes to the Financial Statements For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(r) Employee benefits (continued)

(iv) Share-based compensation (continued)

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.

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.

Notes to the Financial Statements For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(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 (losses)/ gains – 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.

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.

Notes to the Financial Statements For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(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.

(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 fulfiling the contract but are incurred prior to fulfilment and cannot be capitalised under any other standard. The Group has elected the practical expedient to recognise contract costs incurred related to contracts with an amortisation period of less than one year as an expense when incurred.

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

(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 (losses)/gains – 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(y) Contingent liabilities and contingent assets (continued)

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.

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

The telecommunication licences with allocated spectrum rights acquired by a subsidiary via business combination are not subject to amortisation and are tested annually for impairment as the Group is of the opinion that the licences can be renewed in perpetuity at negligible cost and the associated spectrum rights, have an indefinite economic useful life. The estimated indefinite economic useful life reflects the Group's expectation of the period over which the Group will continuously recover the benefits from the licences.

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

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

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

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

(iii) Classification of assets and liabilities as held for sale

The Group has assessed and concluded that the proposed intention to exit from the infrastructure segment in Myanmar met the discontinued operations requirements under MFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", after having considered the progress and the status of the proposal as well as the outcome of regular engagements with the related stakeholders including the relevant regulators.

The details are disclosed in Note 37 to the financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Critical accounting estimates and assumptions

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

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

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

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

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

(i) Impairment assessment of goodwill

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

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 24 to the financial statements.

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

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

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

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

The assumptions used and results of the impairment assessment of non-financial assets (excluding goodwill) are disclosed in Note 5(a)(i), Note 24(e)(iii) and Note 26(d) to the financial statements.

(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.

Notes to the Financial Statements For the financial year ended 31 December 2023

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Critical accounting estimates and assumptions (continued)

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

(iv) Taxation

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.

(v) Fair value of deposits paid in relation to ongoing legal, regulatory and taxation claims and disputes of the Group

The Group estimates the fair value of deposits paid in relation to ongoing legal, regulatory and taxation claims and disputes across the Group using the expected present value technique. The Group applies judgement in arriving at key assumptions to the probability-weighted average of possible future cash flows. These judgements are based on available information at each financial reporting period.

The fair value assessments are inherently judgemental and susceptible to changes depending on the circumstances surrounding the ongoing legal, regulatory and taxation claims and disputes. The Group, in consultation with legal counsel, is required to make assumptions on timing, amounts and probability of expected future cash flows and discount rate that are based on conditions existing at the end of each financial reporting period.

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

(vi) Determination of lease term

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

The lease term is reassessed if an option is exercised (or not exercised) or the Group and the Company become obligated to exercise (not to exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurred, which affect this assessment, and that is within the lessee.

(vii) Provision for asset retirement

Fair value estimates of provision for asset retirement for dismantling, removal or restoration generally involve discounted future cash flows, and periodic accretion of such liabilities due to the passage of time are recorded as finance costs. The significant assumptions used in estimating the provision are timing of assets removals, costs of restorations, expected inflation rates and the discount rates. There can be no assurances that actual costs and the probability of incurring obligations will not differ from these estimates.

(viii) 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 34 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 forwarding 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).

Notes to the Financial Statements For the financial year ended 31 December 2023

5. SIGNIFICANT CHANGES IN COMPOSITION OF THE GROUP

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

(i) Disposal of equity interest in Reynolds Holding Limited and its subsidiary ("Reynolds Group")

On 1 December 2023, Axiata Investments (UK) Limited ("AIUK"), a wholly owned subsidiary of the Company entered into an unconditional sale and purchase agreement with Spectrlite UK Limited ("Spectrlite") for the sale of Reynolds Group ("Agreement") which owns an approximately 80.00% ordinary shares in issue of Ncell Axiata Limited ("Ncell") for the following consideration:

(A) Fixed consideration of USD50.0 million (RM233.1 million) payable in two tranches of:

- USD5.0 million (RM23.3 million) on or before the date that is 6 months after completion; and
- USD45.0 million (RM209.8 million) on or before the date that is 48 months after completion.

The fixed consideration is interest free and secured via a pledge of certain shares in Axiata (Cambodia) Holdings Limited which are owned by the shareholder of Spectrlite.

(B) Conditional consideration which is contingent upon the future business performance and distributions declared by Ncell and is subject to Ncell receiving relevant regulatory clearances for the payment of the relevant distribution to Reynolds.

Following the disposal of Reynolds Group, the Group does not expect any claims on the legal matters of Ncell.

Accordingly, Reynolds Group ceased to be subsidiaries of the Group and the financial results for the financial period ended 30 November 2023 of Reynolds Group were classified as discontinued operations as Reynolds 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 Reynolds Group as discontinued operations in the previous financial year.

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

	Group RM'000
Present value of fixed consideration receivable	164,324
Transaction costs	(19,073)
Total net disposal consideration	145,251
Carrying amount of net assets of Reynolds Group disposed	(139,247)
Reclassification of foreign currency translation reserve	(362,433)
Net loss on disposal of Reynolds Group	(356,429)

Notes to the Financial Statements For the financial year ended 31 December 2023

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

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

(i) Disposal of equity interest in Reynolds Holding Limited and its subsidiary ("Reynolds Group") (continued)

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

	Group RM'000
Intangible assets	373,232
PPE	572,598
ROU assets	46,830
Trade and other receivables	191,074
Cash and bank balances	528,010
Deferred tax assets	151,048
Others	30,520
Total assets	1,893,312
Trade and other payables	(872,004)
Borrowings	(511,582)
Lease liabilities	(123,538)
Others	(56,649)
Total liabilities	(1,563,773)
Total net assets of Reynolds Group disposed	329,539
Less: NCI	(190,292)
Total net assets of Reynolds Group disposed attributable to the owners of the Company	139,247

The financial performance and cash flow information presented are for the financial period ended 30 November 2023 and the financial year ended 31 December 2022.

	Group	
	2023 RM'000	2022 RM'000
Revenue	**1,171,153**	1,373,855
Expenses	**(3,418,014)**	(3,922,078)
Loss before tax from discontinued operations	**(2,246,861)**	(2,548,223)
Taxation	**398,859**	(9,169)
Loss after tax from discontinued operations	**(1,848,002)**	(2,557,392)
Loss on disposal of Reynolds Group, net of tax	**(356,429)**	-
Total loss for the financial period/year from discontinued operations	**(2,204,431)**	(2,557,392)
Currency translation differences	**124,022**	(257,674)
Realisation of other comprehensive expense arising from disposal of a group of subsidiaries	**362,433**	-
Total comprehensive expense from discontinued operations	**(1,717,976)**	(2,815,066)

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

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

(i) Disposal of equity interest in Reynolds Holding Limited and its subsidiary ("Reynolds Group") (continued)

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

	Group	
	2023 RM'000	2022 RM'000
Cash flows from operating activities	**369,253**	563,887
Cash flows used in investing activities	**(159,903)**	(260,405)
Cash flows used in financing activities	**(355,583)**	(41,603)
Net (decrease)/increase in cash and cash equivalents	**(146,233)**	261,879

During the financial year and prior to the disposal of Reynolds Group, the Group has recorded the following impairment on Nepal CGU:

(A) In the previous financial year, management had assumed that GSM licence allocated to the Nepal CGU would be extended in perpetuity as it was expected that the Group would be able to negotiate an extension or appropriate buyback mechanism with the Government of Nepal. Hence, management assumed that the cost of buyback was nil in 2029 as disclosed in Note 24(d) to the financial statements.

Following the unfavourable outcome from the Bilateral Investment Treaty ("BIT") Arbitration proceedings between AIUK, Ncell against Nepal on 9 June 2023, the Group had reassessed the recoverable amount of the Nepal CGU after considering the probability of the estimated cash outflow for GSM licence renewal in 2029 based on the expected net book value of the fixed assets of Nepal CGU and the fair value of Nepal CGU business in 2029. The Group also considered cash flow projections assuming that GSM licence was not renewed by the Group in 2029.

The other key assumptions used in the cash flows projections in determining the recoverable amount of Nepal CGU were consistent with the key assumptions used as disclosed in Note 24(d) to the financial statements.

Based on the assessment above, the Group has impaired total assets of Nepal CGU amounting to RM702.6 million which consist of intangible assets of RM356.3 million, PPE of RM321.2 million and ROU assets of RM25.1 million as at 30 June 2023.

The outcome of the BIT proceedings also resulted in the Group writing off capital gains tax related receivables amounting to RM396.1 million.

(B) As of 30 September 2023, the Group was in an advanced stage of discussion with potential buyers to sell its entire equity interest in Reynolds Group. Accordingly, the criteria of assets held for sale under MFRS 5 were met and the assets and liabilities of Nepal CGU had been measured at the FVLCTS, determined based on a probability-weighted average of the indicative selling prices. Accordingly, the Group has further impaired total assets of Nepal CGU amounting to RM1,227.3 million, which consist of intangible assets of RM711.9 million, PPE of RM477.7 million and ROU assets of RM37.7 million, in writing down the Nepal CGU classified as held for sale to its FVLCTS.

Both (A) and (B) resulted in total impairment loss of certain Nepal CGU assets amounting to RM2,326.0 million.

Subsequently, the Group completed the disposal of Nepal CGU on 1 December 2023.

(ii) Acquisition of equity interest in ADA Digital Analytics Private Limited (formerly known as Dhiomics Analytics Solutions Private Limited) ("ADAPL")

ADA Digital Singapore Pte Ltd ("ADADS") had on 5 April 2023, completed its acquisition of 81,182 ordinary shares representing 99.00% interest in ADAPL held by two individuals, Prabhat Agarwal and Nilesh Gupta ("Sellers"), for a total purchase consideration of INR1,042.5 million (RM57.5 million). The remaining consideration on 1.00% shareholding in ADAPL amounting to INR172.0 million (RM9.5 million) being the contingent consideration and retention amounts, are payable over the next twelve (12) to thirty-six (36) months after the acquisition date.

Effectively, ADAPL became a subsidiary of the Group.

During the financial year, the Group recognised goodwill of INR593.2 million (RM31.8 million) arising from the acquisition.

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

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

(iii) Acquisition of equity interest in Vista Bumiria Sdn Bhd ("VBSB")

Touch Mindscape Sdn Bhd ("Touch Mindscape"), had on 27 June 2023 entered into a Share Sale Agreement with Dato' Emil Rinaldi bin Sjaiful, Elizabeth Ken Tzu Ying and En Vogue Media Sdn Bhd for the acquisition of 500,000 ordinary shares representing 100.00% of the issued and paid-up share capital of VBSB for a cash consideration of RM0.7 million. The acquisition was completed on 31 July 2023.

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

(iv) Acquisition of equity interest in ADA Digital Analytics Kabushiki Kaisha ("ADA JP")

ADADS, had on 22 December 2023 entered into a Share Purchase Agreement for the acquisition of 100.00% equity interest in ADA JP comprising 1 ordinary share representing the entire issued and paid-up share capital of ADA JP held by Hive IQ Co. at a cash consideration of JPY10,000 (RM325).

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

(v) Accretion of equity interests in subsidiaries

- Dialog Axiata Digital Innovation Fund (Private) Limited ("DADIF"), a subsidiary of Digital Holdings Lanka (Private) Limited ("DHL") issued 30,141 (2022: 307,555) preference shares, of which 30,000 (2022: 302,423) were issued to DHL and the remaining shares were issued to an individual shareholder. Subsequently, 34,000 of DADIF's preference shares were redeemed, out of which 31,193 shares were redeemed by DHL and the remaining were redeemed by individual shareholders. Accordingly, the Group's effective equity interest in DADIF increased from 76.45% to 76.72% (2022: from 73.67% to 76.45%) during the financial year.

- Axiata Digital Services Sdn Bhd ("ADS"), had on 10 March 2023 and 2 May 2023 issued an additional 196,067 and 94,012 ordinary shares to the Company for a total consideration of RM92.0 million and RM43.2 million respectively by way of conversion of the net payable intercompany balances to the Company. Accordingly, the Company's equity interest in ADS increased from 96.56% to 96.71%.

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

(vi) Dilution of equity interests in subsidiaries

- Axiata Digital & Analytics Sdn Bhd ("ADA"), had on 30 January 2023 completed the acquisition of 2,524,873 ordinary shares representing 99.99% equity interest in Axiata Digital Bangladesh (Private) Limited ("ADB") from ADS at a purchase consideration of BDT241.1 million (RM9.7 million). As a result, the Group's effective equity interest in ADB decreased from 96.56% to 61.39%.

- PT Axiata Digital Analytics Indonesia ("ADAI"), had on 15 March 2023 issued an additional 5,016 ordinary shares to ADA for a cash consideration of IDR6,673.8 million (RM1.9 million). Accordingly, the Group's effective equity interest in ADAI decreased from 61.64% to 61.50%.

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

(vii) Incorporation of subsidiaries

- Boost Holdings Sdn Bhd ("Boost Holdings"), had on 1 March 2023 incorporated a new subsidiary, named Boost Bank Berhad (formerly known as Boost Berhad) ("Boost Bank") with RHB Bank Berhad ("RHB Bank"). Boost Holdings and RHB Bank holds 60.00% and 40.00% of equity interest in Boost Bank respectively, with an issued and paid-up share capital of RM100. As at 31 December 2023, Boost Bank has an issued and paid-up share capital of RM185.0 million.

- Robi Axiata Limited ("Robi"), had on 25 June 2023 completed the incorporation of AxEnTec PLC ("AxEnTec") under the Bangladesh Companies Act 1994. AxEnTec was incorporated with an issued and paid-up share capital of BDT10.0 million (RM0.4 million).

- Robi, had on 24 July 2023 completed the incorporation of r ventures PLC ("r ventures") under the Bangladesh Companies Act 1994. r ventures was incorporated with an issued and paid-up share capital of BDT150.0 million (RM6.5 million).

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

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

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

(viii) Voluntary liquidation of a subsidiary

Xpand Investments (Labuan) Limited, had on 4 July 2023 completed the voluntary liquidation of Suvitech Co., Ltd.

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

(ix) Acquisition of equity interest in an associate

Smart Axiata Co., Ltd., had on 4 July 2023 completed its acquisition of 128,247 ordinary shares in Milvik (Cambodia) Micro Insurance Plc ("Milvik"), representing 30.00% interest in Milvik at USD1.9 million (RM9.0 million) via a non-cash consideration in the form of a reduction in the existing revenue share under the Insurance Agency Agreement effective from 1 June 2022. Effectively, Milvik became an associate of the Group.

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

(x) Dilution of equity interest in an associate

On 14 July 2023 (2022: 4 August 2022), PT XL Axiata Tbk ("XL")'s equity interest in PT Princeton Digital Group Data Centres ("PDGDC") decreased from 14.82% to 10.71% (2022: from 30.00% to 14.82%) following the issuance of new ordinary shares by PDGDC to Princeton Digital Group (Indonesia Alpha) Pte Ltd. Accordingly, the Group's effective equity interest in PDGDC decreased from 9.86% to 7.13%.

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

Notes to the Financial Statements For the financial year ended 31 December 2023

5. SIGNIFICANT 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 PT Link Net Tbk ("Link Net") and its subsidiaries

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

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

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

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

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

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

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

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

Notes to the Financial Statements For the financial year ended 31 December 2023

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

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

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

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

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

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

(B) the Digi Cash Consideration, comprising cash consideration of RM2,468.9 million from Digi and completion adjustments of RM402.0 million which was finalised on 7 August 2023; and

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

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

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Consideration received:				
- Consideration Shares	**-**	15,532,517	**-**	15,532,517
- Digi Cash Consideration	**402,000**	2,468,900	**402,000**	2,468,900
- Digi Shares Cash Consideration	**-**	297,918	**-**	297,918
Transaction costs	**-**	(78,878)	**-**	(78,878)
Total net disposal consideration	**402,000**	18,220,457	**402,000**	18,220,457
Carrying amount of net assets of Celcom Group disposed	**-**	(4,690,649)	**-**	(4,677,000)
Reclassification of foreign currency translation reserve	**-**	273	**-**	-
Net gain on disposal of Celcom Group	**402,000**	13,530,081	**402,000**	13,543,457

Notes to the Financial Statements For the financial year ended 31 December 2023

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

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

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

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

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

The financial performance and cash flow information presented are for the financial year ended 31 December 2023 and the financial period ended 30 November 2022.

	Group	
	2023 RM'000	2022 RM'000
Revenue	-	5,795,919
Expenses	-	(3,982,971)
Profit before tax from discontinued operations	-	1,812,948
Taxation and zakat	-	(446,740)
Profit after tax from discontinued operations	-	1,366,208
Gain on disposal of Celcom Group, net of tax	**402,000**	13,530,081
Total profit for the financial year from discontinued operations	**402,000**	14,896,289
Currency translation differences	-	273
Total comprehensive income from discontinued operations	**402,000**	14,896,562

Notes to the Financial Statements For the financial year ended 31 December 2023

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

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

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

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

	Group	
	2023 RM'000	2022 RM'000
Cash flows from operating activities	-	2,145,880
Cash flows from investing activities*	**402,000**	1,649,693
Cash flows used in financing activities	-	(579,500)
Net increase in cash and cash equivalents	**402,000**	3,216,073

* Includes gross inflow of RM402.0 million (2022: RM2,687.9 million) from the disposal of Celcom Group.

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

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

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

(iv) Additional investment in a subsidiary

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

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

(v) Accretion of equity interests in subsidiaries

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

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

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

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

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

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

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

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

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

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

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

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

(vi) Dilution of equity interests in subsidiaries

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

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

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

(vii) Incorporation of a subsidiary

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

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

Notes to the Financial Statements For the financial year ended 31 December 2023

6. REVENUE

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Revenue from contracts with customers:				
Mobile services	**15,010,817**	14,123,160	**-**	-
Interconnect services	**875,600**	880,659	**-**	-
Sale of devices	**86,137**	243,080	**-**	-
Digital business	**1,451,908**	1,409,096	**-**	-
Television transmission and broadband services	**1,656,612**	1,062,590	**-**	-
Managed services	**323,567**	113,365	**-**	-
Infrastructure services	**435,228**	225,190	**-**	-
Others	**786,555**	756,188	**-**	-
Technical and management services fees ("TMSA")	**-**	-	**60,123**	67,704
	20,626,424	18,813,328	**60,123**	67,704
Revenue under other MFRSs:				
Dividend income	**-**	-	**1,055,041**	1,292,766
Lease of passive infrastructure	**1,321,179**	1,165,932	**-**	-
Interest income from financial services	**54,666**	41,020	**-**	-
Total	**22,002,269**	20,020,280	**1,115,164**	1,360,470

Notes to the Financial Statements For the financial year ended 31 December 2023

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
2023				
Mobile services	**-**	**15,010,817**	**15,010,817**	**-**
Interconnect services	**-**	**875,600**	**875,600**	**-**
Sale of devices	**86,137**	**-**	**86,137**	**-**
Digital business	**732,404**	**719,504**	**1,451,908**	**-**
Television transmission and broadband services	**-**	**1,656,612**	**1,656,612**	**-**
Managed services	**-**	**323,567**	**323,567**	**-**
Infrastructure services	**-**	**435,228**	**435,228**	**-**
Others	**241,756**	**544,799**	**786,555**	**-**
TMSA	**-**	**-**	**-**	**60,123**
Total	**1,060,297**	**19,566,127**	**20,626,424**	**60,123**
2022				
Mobile services	-	14,123,160	14,123,160	-
Interconnect services	3,434	877,225	880,659	-
Sale of devices	243,080	-	243,080	-
Digital business	910,581	498,515	1,409,096	-
Television transmission and broadband services	-	1,062,590	1,062,590	-
Managed services	-	113,365	113,365	-
Infrastructure services	-	225,190	225,190	-
Others	185,173	571,015	756,188	-
TMSA	-	-	-	67,704
Total	1,342,268	17,471,060	18,813,328	67,704

Notes to the Financial Statements For the financial year ended 31 December 2023

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
2023				
Mobile:				
- Indonesia	**147,203**	**9,426,488**	**9,573,691**	**-**
- Bangladesh	**40,911**	**4,050,064**	**4,090,975**	**-**
- Sri Lanka	**94,193**	**2,404,023**	**2,498,216**	**-**
- Cambodia	**11,616**	**1,672,481**	**1,684,097**	**-**
Fixed broadband (Indonesia)	**35,072**	**1,136,945**	**1,172,017**	**-**
Infrastructure	**-**	**680,056**	**680,056**	**-**
Others	**731,302**	**196,070**	**927,372**	**60,123**
Total	**1,060,297**	**19,566,127**	**20,626,424**	**60,123**
2022				
Mobile:				
- Indonesia	311,250	8,300,950	8,612,200	-
- Bangladesh	21,666	3,921,662	3,943,328	-
- Sri Lanka	9,611	2,393,186	2,402,797	-
- Cambodia	14,073	1,593,579	1,607,652	-
Fixed broadband (Indonesia)	78,809	590,461	669,270	-
Infrastructure	-	499,926	499,926	-
Others	906,859	171,296	1,078,155	67,704
Total	1,342,268	17,471,060	18,813,328	67,704

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

	Group	
	2023 RM'000	2022 RM'000
Mobile services	**306,587**	1,213,498
Digital business	**3,195,955**	1,352,141
Others	**110,335**	99,895

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	
	2023	2022
Mobile services	**1 - 3 years**	1 - 3 years
Digital business	**19 years**	19 years
Others	**1 - 4 years**	1 - 12 years

Notes to the Financial Statements For the financial year ended 31 December 2023

7(a). DEPRECIATION, IMPAIRMENT AND AMORTISATION

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Amortisation of:				
- contract cost assets	**126,763**	108,348	**-**	-
- intangible assets	**736,706**	547,735	**-**	-
Depreciation of:				
- PPE	**4,385,252**	3,836,293	**4,746**	5,224
- ROU assets	**1,844,962**	1,702,414	**1,759**	4,104
Impairment of:				
- intangible assets	**40,459**	1,553,802	**-**	-
- PPE	**55,799**	117,101	**5,382**	-
- associates	**889**	-	**-**	-
- subsidiaries	**-**	-	**896,168**	2,410,018
Reversal of impairment of PPE	**(6,849)**	-	**-**	-
Write-off of:				
- PPE	**16,005**	12,195	**-**	7
- Others	**-**	115	**-**	124
Total	**7,199,986**	7,878,003	**908,055**	2,419,477

7(b). OTHER OPERATING COSTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Repair and maintenance	**1,585,608**	1,581,949	**16,741**	14,642
Business licence and spectrum fees	**1,462,929**	1,552,752	**-**	-
Regulatory related outpayments and contributions	**764,430**	702,375	**-**	-
Cost of devices and accessories including charges and commissions	**383,487**	460,443	**-**	-
Leased circuit charges	**290,858**	311,109	**-**	-
Professional fees	**191,282**	192,508	**77,793**	87,173
Outsourcing costs	**177,194**	105,595	**-**	-
Rental:				
- network infrastructure and equipment	**565,234**	308,483	**325**	254
- land and buildings	**110,658**	92,249	**16,322**	1,697
- others	**15,698**	16,887	**-**	-
Others[1]	**581,338**	422,664	**50,304**	33,806
Write-off of amount due from a subsidiary	**-**	-	**-**	1,556
Total	**6,128,716**	5,747,014	**161,485**	139,128

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

Notes to the Financial Statements For the financial year ended 31 December 2023

7(c). AUDITORS' REMUNERATION

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Continuing operations:				
Audit fees:				
- PricewaterhouseCoopers Malaysia ("PwCM"):				
- current year	**5,803**	6,223	**2,350**	2,786
- under provision in prior year	**236**	190	**-**	80
- Member firms of PricewaterhouseCoopers International Limited ("PwCI")[1]	**8,236**	6,844	**-**	-
- Others	**281**	583	**-**	-
	14,556	13,840	**2,350**	2,866
Audit related fees[2]:				
- PwCM and PwCI	**2,507**	5,916	**1,737**	3,633
Other fees paid to PwCM and PwCI:				
- Tax and tax related services[3]	**1,326**	609	**969**	329
- Other non-audit services[4]	**3,656**	1,173	**590**	230
Total	**22,045**	21,538	**5,646**	7,058
Discontinued operations:				
Audit fees:				
- PwCM	**-**	1,076	**-**	-
- PwCI[1]	**441**	-	**-**	-
- Others	**72**	-	**-**	-
	513	1,076	**-**	-
Audit related fees[2]:				
- PwCM and PwCI	**-**	473	**-**	-
Other fees paid to PwCM and PwCI:				
- Tax and tax related services[3]	**20**	271	**-**	-
- Other non-audit services[4]	**-**	300	**-**	-
Total	**533**	2,120	**-**	-

1 Separate and independent legal entity from PwCM.

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

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

4 Fees incurred primarily in connection to operational readiness review and other advisory services incurred.

In order to maintain the independence of the external auditors, the Board Audit Committee has determined policies as to what non-audit services can be provided by external auditors of the Group and the approval processes related to them. Under these policies and guidelines, non-audit services can be offered by external auditors of the Group if there are clear efficiencies and value-added benefits to the Group.

Notes to the Financial Statements For the financial year ended 31 December 2023

7(d). STAFF COSTS

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Salaries, allowances, overtime and bonus		**1,325,199**	1,249,326	**98,392**	128,310
Termination benefits/restructuring cost		**49,030**	68,115	**16,785**	-
Contribution to EPF		**78,733**	77,613	**12,041**	10,851
Other staff benefits		**241,783**	145,365	**13,022**	5,157
Equity-settled share-based compensation expense:					
- scheme of the Company	14(a),(b)	**7,937**	11,361	**7,937**	10,486
- schemes of a subsidiary	14(d)	**(2,256)**	3,111	**-**	-
Cash-settled share-based compensation expense:					
- schemes of subsidiaries	14(c),(e)	**6,970**	8,893	**-**	-
Remuneration of Executive Directors of the Company	7(e)	**11,794**	6,859	**11,794**	6,859
Total		**1,719,190**	1,570,643	**159,971**	161,663

7(e). DIRECTORS' REMUNERATION

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Remuneration of Executive Directors of the Company:					
- salaries, allowances and bonus		**10,948**	6,549	**10,948**	6,549
- contribution to EPF		**-**	982	**-**	982
- share-based payment expense	14(a),(b)	**846**	(672)	**846**	(672)
		11,794	6,859	**11,794**	6,859
Remuneration of Non-Executive Directors of the Company:					
- fees and allowances		**3,615**	4,363	**2,724**	3,100
Total		**15,409**	11,222	**14,518**	9,959

Estimated monetary value of benefits of Directors amounted to RM840,195 (2022: RM865,220) for the Group and the Company.

8. OTHER (LOSSES)/GAINS - NET

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Financial assets at FVTPL	**3,953**	13	**-**	-
Deposits at FVTPL	**(9,295)**	5,335	**-**	-
Financial guarantee contracts	**-**	-	**(310,025)**	(148,463)
Total	**(5,342)**	5,348	**(310,025)**	(148,463)

Notes to the Financial Statements For the financial year ended 31 December 2023

9. OTHER INCOME/(EXPENSE) - NET

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Gain on disposal of PPE		**8,828**	5,469	**-**	-
Net gain on disposal of a group of subsidiaries	5(b)(ii)	**-**	-	**402,000**	13,543,457
Deferred gain on sale and leaseback assets[1]		**126,440**	125,171	**-**	-
Amortised deferred income		**16,071**	11,736	**-**	11,736
Other taxes[2]		**(133,422)**	(135,105)	**-**	-
Penalty charge		**(2,591)**	(71,513)	**-**	-
Reversal of deferred contingent consideration[3]		**59,234**	-	**-**	-
Others		**16,507**	64,138	**4,245**	9,854
Total		**91,067**	(104)	**406,245**	13,565,047

[1] Deferred gain arising from tower sale and finance leaseback transaction where the gain is deferred and amortised over leaseback period of ten (10) years. The remaining useful life is one (1) to three (3) years (2022: two (2) to four (4) years).

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

[3] Reversal of contingent consideration payable to vendor in conjunction with the acquisition of equity interest in Touch Mindscape and its subsidiaries ("Touch Mindscape Group") on 30 November 2021 due to unfulfillment of certain conditions of the SSA.

10. FINANCE INCOME/(COSTS)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Finance income					
Islamic financial instruments		**54,718**	21,710	**34,753**	12,472
Deposits, cash and bank balances		**154,172**	111,627	**26,523**	3,619
Finance lease receivables	34(a)	**3,105**	5,336	**-**	-
Others		**36,368**	85,132	**35,781**	8,145
Amounts due from subsidiaries		**-**	-	**23,768**	143,361
Total		**248,363**	223,805	**120,825**	167,597
Finance costs					
Borrowings		**(1,168,593)**	(716,969)	**(185,798)**	(102,447)
Profit on Sukuks		**(219,776)**	(197,193)	**-**	-
Cash flow hedge		**(27,286)**	(51,081)	**19,190**	559
Provision for asset retirement		**(29,534)**	(29,471)	**(35)**	(27)
Lease liabilities		**(773,233)**	(683,771)	**(24)**	(425)
Others		**(69,447)**	(23,744)	**-**	-
Amounts due to subsidiaries	33	**-**	-	**(340,918)**	(317,724)
Total		**(2,287,869)**	(1,702,229)	**(507,585)**	(420,064)

Notes to the Financial Statements For the financial year ended 31 December 2023

11. TAXATION

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Income taxation	**571,165**	511,810	**-**	-
Deferred taxation	**80,003**	93,050	**-**	-
Taxation	**651,168**	604,860	-	**-**
Income taxation:				
- Current financial year	**575,848**	479,283	**-**	-
- Prior financial years*	**(4,683)**	32,527	**-**	-
	571,165	511,810	**-**	-
Deferred taxation:				
- Net origination of temporary differences	**80,003**	86,884	**-**	-
- Others	**-**	6,166	**-**	-
	80,003	93,050	**-**	-
Total	**651,168**	604,860	**-**	-

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

The Group and the Company are within the scope of the Organisation for Economic Co-operation and Development ("OECD") Pillar Two model rules whereby top-up tax on profits is required in any jurisdictions in which it operates, calculated at the jurisdictional level, when the effective tax rate is lower than the minimum effective tax rate of 15%.

Malaysia will be implementing the Pillar Two model rules effective 1 January 2025. Some foreign tax jurisdictions where the Group operates (i.e. Vietnam, South Korea and Japan) will implement Pillar Two model rules earlier in 2024.

The Group and the Company have not recorded any impact on tax expense for the financial year and apply 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 issued on 2 June 2023.

The Group and the Company have assumed the commitment to apply the Pillar Two model rules and are working on the analysis of the impact of the amendments to the standard as well as to establish a system of compliance which allows to adapt to regulations in a timely manner.

Notes to the Financial Statements For the financial year ended 31 December 2023

11. TAXATION (CONTINUED)

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit/(Loss) before taxation	**793,365**	(1,809,490)	**(533,594)**	11,614,082
Taxation calculated at the applicable Malaysian tax rate of 24%	**190,408**	(434,278)	**(128,063)**	2,787,380
Tax effects of:				
- income not subject to tax	**(50,934)**	(26,312)	**(379,947)**	(3,523,294)
- share of results of associates	**(127,378)**	13,636	**-**	-
- gain on dilution of an associate	**(26)**	-	**-**	-
- share of results of joint ventures	**(217)**	2,330	**-**	-
- approved tax credit of a subsidiary	**-**	(29,107)	**-**	-
- tax incentives	**(36,645)**	-	**-**	-
- different tax rates in other countries	**53,853**	(2,049)	**-**	-
- utilisation of previously unrecognised deferred tax assets	**(13,110)**	(8,950)	**-**	-
- unrecognised deferred tax assets	**140,344**	69,237	**8,448**	7,845
- expenses not deductible for tax purposes	**499,556**	987,826	**499,562**	728,069
- prior financial years income tax	**(4,683)**	32,527	**-**	-
Total	**651,168**	604,860	**-**	-

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	
	2023	2022
(Loss)/Profit attributable to owners of the Company (RM'000)		
- continuing operations	**(125,195)**	(2,619,309)
- discontinued operations	**(1,869,605)**	12,370,386
	(1,994,800)	9,751,077
Weighted average number of ordinary shares in issue ('000)	**9,178,671**	9,176,331
Basic EPS (sen)		
- continuing operations	**(1.3)**	(28.5)
- discontinued operations	**(20.4)**	134.8
	(21.7)	106.3

Notes to the Financial Statements For the financial year ended 31 December 2023

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 Note 14(b) to the financial statements which are dilutive potential ordinary shares and is assumed to have been converted into ordinary shares.

	Group	
	2023	**2022**
(Loss)/Profit attributable to owners of the Company (RM'000)		
- continuing operations	**(125,195)**	(2,619,309)
- discontinued operations	**(1,869,605)**	12,370,386
	(1,994,800)	9,751,077
Weighted average number of ordinary shares in issue ('000)	**9,178,671**	9,176,331
Adjusted for diluted effect of share-based compensation plans of the Company ('000)	**7,967**	7,911
Adjusted weighted average number of ordinary shares ('000)	**9,186,638**	9,184,242
Diluted EPS (sen)		
- continuing operations	**(1.3)**	(28.5)
- discontinued operations	**(20.4)**	134.7
	(21.7)	106.2

13. SHARE CAPITAL

		Group and Company			
		2023		2022	
	Note	No. of shares '000	Value RM'000	No. of shares '000	Value RM'000
Ordinary shares paid-up capital:					
At 1 January		**9,177,237**	**13,914,272**	9,174,986	13,905,207
Additions	(a)	**1,847**	**6,377**	2,251	9,065
At 31 December		**9,179,084**	**13,920,649**	9,177,237	13,914,272

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

Notes to the Financial Statements For the financial year ended 31 December 2023

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[6]	100	607,600	4.12
Grant 3(b), 2019	21 Feb 2019	21 Feb 2022[6]	100	2,295,400	4.12
Grant 4(a), 2020	28 Feb 2020	28 Feb 2023	100	1,796,000	4.17
Grant 4(b), 2020[2]	15 Aug 2020	15 Aug 2023	100	78,800	3.15
Grant 5(a), 2021	28 Feb 2021	28 Feb 2024	100	2,680,900	3.45
Grant 5(b), 2021[2]	15 Aug 2021	15 Aug 2024	100	442,800	3.79
Grant 5(c), 2021[5]	28 Feb 2021	10 Nov 2021	100	2,275,800	3.50
Grant 6(a), 2022	28 Feb 2022	28 Feb 2025	100	1,599,400	3.85
Grant 6(b), 2022[5]	28 Feb 2022	10 Nov 2022	100	224,500	3.90

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

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

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.

Notes to the Financial Statements For the financial year ended 31 December 2023

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:

(i) Maximum number of new ordinary shares of the Company available under the Axiata PBLTIP

The maximum number of shares which may be allotted upon the vesting of Axiata PBLTIP shares, shall not be more than 7% of the issued and paid-up ordinary share capital of the Company at any point of time during the duration of this Axiata PBLTIP.

If the Company undertakes a share buy-back exercise or any other corporate proposal resulting in the total number of the Company's shares issued and/or to be issued under the Axiata PBLTIP exceeding 7% of the Company's issued and fully paid-up ordinary share capital, all shares under the Axiata PBLTIP offered and/or granted prior to the said variation of the issued and paid-up ordinary share capital of the Company shall remain valid in accordance with the provisions of this Axiata PBLTIP as if that reduction had not occurred.

(ii) Basis of allocation and maximum allowable allotment

The total number of new ordinary shares of the Company that can be offered and allotted to any one of the eligible employees (as defined in the Bye-Laws in relation to the Axiata PBLTIP shall be at the absolute discretion of the Board Nomination and Remuneration Committee ("BNRC") that has been established to administer the Axiata PBLTIP from time to time) after taking into consideration such criteria as may be determined by the BNRC at their absolute discretion.

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

(iii) Eligibility

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

(a) has attained the age of eighteen (18) years;

(b) has entered into a full-term contract of employment with, and is on the payroll of, a corporation within the Group and whose service has been confirmed;

(c) is not a Non-Executive or Independent Director of the Company; and

(d) fulfils any other criteria as may be set by the BNRC in its absolute discretion.

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 2023

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	Weighted average fair value at grant date RM
Group							
2023							
Grant 1(a), 2017	**1,187,310**	**-**	**-**	**-**	**(94,200)**	**1,093,110**	**4.31**
Grant 1(b), 2017	**264,350**	**-**	**-**	**-**	**-**	**264,350**	**4.56**
Grant 2, 2018	**733,249**	**-**	**25,344**	**(92,000)**	**(47,500)**	**619,093**	**4.67**
Grant 3(b), 2019	**465,689**	**-**	**-**	**-**	**-**	**465,689**	**4.36**
Grant 4(a), 2020	**1,219,000**	**-**	**712,904**	**(1,622,500)**	**(133,400)**	**176,004**	**3.44**
Grant 4(b), 2020	**78,800**	**-**	**54,000**	**(132,800)**	**-**	**-**	**2.75**
Grant 5(a), 2021	**2,371,600**	**-**	**-**	**-**	**(123,700)**	**2,247,900**	**3.54**
Grant 6(a), 2022	**1,059,500**	**-**	**-**	**-**	**(110,800)**	**948,700**	**3.18**
Total	**7,379,498**	**-**	**792,248**	**(1,847,300)**	**(509,600)**	**5,814,846**	
2022							
Grant 1(a), 2017	1,220,260	-	-	-	(32,950)	1,187,310	4.31
Grant 1(b), 2017	264,350	-	-	-	-	264,350	4.56
Grant 2, 2018	733,249	-	-	-	-	733,249	4.67
Grant 3(b), 2019	1,498,400	-	824,089	(1,817,400)	(39,400)	465,689	4.36
Grant 4(a), 2020	1,464,900	-	32,300	(76,500)	(201,700)	1,219,000	3.44
Grant 4(b), 2020	78,800	-	-	-	-	78,800	2.75
Grant 5(a), 2021	2,603,600	-	33,900	(110,200)	(155,700)	2,371,600	3.54
Grant 5(b), 2021	442,800	-	-	-	(442,800)	-	3.68
Grant 6(a), 2022	-	1,599,400	8,800	(21,900)	(526,800)	1,059,500	3.18
Grant 6(b), 2022[2]	-	224,500	-	(224,500)	-	-	3.90
Total	8,306,359	1,823,900	899,089	(2,250,500)	(1,399,350)	7,379,498	

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

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

Notes to the Financial Statements For the financial year ended 31 December 2023

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	Weighted average fair value at grant date RM
Company							
2023							
Grant 1(a), 2017	**999,810**	**-**	**-**	**-**	**(94,200)**	**905,610**	**4.31**
Grant 1(b), 2017	**264,350**	**-**	**-**	**-**	**-**	**264,350**	**4.56**
Grant 2, 2018	**733,249**	**-**	**25,344**	**(92,000)**	**(47,500)**	**619,093**	**4.67**
Grant 3(b), 2019	**465,689**	**-**	**-**	**-**	**-**	**465,689**	**4.36**
Grant 4(a), 2020	**1,219,000**	**-**	**712,904**	**(1,622,500)**	**(133,400)**	**176,004**	**3.44**
Grant 4(b), 2020	**78,800**	**-**	**54,000**	**(132,800)**	**-**	**-**	**2.75**
Grant 5(a), 2021	**2,371,600**	**-**	**-**	**-**	**(123,700)**	**2,247,900**	**3.54**
Grant 6(a), 2022	**1,059,500**	**-**	**-**	**-**	**(110,800)**	**948,700**	**3.18**
Total	**7,191,998**	**-**	**792,248**	**(1,847,300)**	**(509,600)**	**5,627,346**	
2022							
Grant 1(a), 2017	999,810	-	-	-	-	999,810	4.31
Grant 1(b), 2017	264,350	-	-	-	-	264,350	4.56
Grant 2, 2018	733,249	-	-	-	-	733,249	4.67
Grant 3(b), 2019	1,498,400	-	824,089	(1,817,400)	(39,400)	465,689	4.36
Grant 4(a), 2020	1,464,900	-	32,300	(76,500)	(201,700)	1,219,000	3.44
Grant 4(b), 2020	78,800	-	-	-	-	78,800	2.75
Grant 5(a), 2021	2,603,600	-	33,900	(110,200)	(155,700)	2,371,600	3.54
Grant 5(b), 2021	442,800	-	-	-	(442,800)	-	3.68
Grant 6(a), 2022	-	1,599,400	8,800	(21,900)	(526,800)	1,059,500	3.18
Total	8,085,909	1,599,400	899,089	(2,026,000)	(1,366,400)	7,191,998	

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

Notes to the Financial Statements For the financial year ended 31 December 2023

14. SHARE-BASED COMPENSATION PLANS (CONTINUED)

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

The fair value of the Axiata PBLTIP shares granted were determined using the Monte Carlo valuation model. The significant inputs in the model are as follows:

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.

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		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Share-based compensation expense[1]	**7,956**	10,689	**7,956**	9,814

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

Notes to the Financial Statements For the financial year ended 31 December 2023

14. SHARE-BASED COMPENSATION PLANS (CONTINUED)

(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	Number of shares granted	Reference price[3] RM
Grant 2023:					
- Restricted Share Plan ("RSP")	6 Oct 2023	6 Oct 2026	Vesting 1/3 each year over 3-year period	2,963,800	2.46
- Performance Share Plan ("PSP")[1&2]	6 Oct 2023	6 Oct 2026	100% end of Year 3	5,473,300	2.46

[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.

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 our 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 our BNRC.

In the event our 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.

Notes to the Financial Statements For the financial year ended 31 December 2023

14. SHARE-BASED COMPENSATION PLANS (CONTINUED)

(b) Axiata Group Long Term Incentive Plan ("Axiata LTIP") (continued)

The salient terms and conditions of the Axiata LTIP are as follows: (continued)

(iii) Eligibility

Any employee of the Group (other than subsidiaries which are dormant) shall be eligible to participate in the Axiata 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.

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	Weighted average fair value at grant date RM
Group and Company							
2023							
Grant 2023:							
- RSP	-	2,963,800	-	-	(158,900)	2,804,900	2.46
- PSP	-	5,473,300	-	-	(150,800)	5,322,500	2.46
Total	-	8,437,100	-	-	(309,700)	8,127,400	

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]
Grant 2023:							
- 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.

Notes to the Financial Statements For the financial year ended 31 December 2023

14. SHARE-BASED COMPENSATION PLANS (CONTINUED)

(b) Axiata Group Long Term Incentive Plan ("Axiata LTIP") (continued)

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.

	2023 RM'000
Share-based compensation expense	**827**

(c) Long-Term Incentive Plan ("LTIP") of EDOTCO Group Sdn Bhd ("EDOTCO")

EDOTCO developed and implemented a performance based LTIP for senior management of EDOTCO and its subsidiaries. Under the plan, eligible senior management are entitled to ordinary shares of EDOTCO for no cash consideration upon the occurrence of certain events during the vesting period, otherwise, the award will be settled in cash, based on an independent valuation 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 setted 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 2020	31 Mar 2020	721,100	31 Dec 2022
Grant 2021	31 Mar 2021	656,200	31 Dec 2023
Grant 2022	31 Mar 2022	488,400	31 Dec 2024
Grant 2023	1 April 2023	2,176,500	31 Dec 2025

[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.

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

Grant	At 1 January	Granted	Forfeited	Paid	At 31 December
2023					
Grant 2020	**316,400**	**-**	**(74,100)**	**(242,300)**	**-**
Grant 2021	**407,900**	**-**	**(65,900)**	**-**	**342,000**
Grant 2022	**420,500**	**-**	**(67,900)**	**-**	**352,600**
Grant 2023	**-**	**2,176,500**	**(203,000)**	**-**	**1,973,500**
Total	**1,144,800**	**2,176,500**	**(410,900)**	**(242,300)**	**2,668,100**
2022					
Grant 4(a), 2019	1,479,980	-	(28,600)	(1,451,380)	-
Grant 4(b), 2019	104,000	-	-	(104,000)	-
Grant 2020	441,800	-	(125,400)	-	316,400
Grant 2021	519,400	-	(111,500)	-	407,900
Grant 2022	-	488,400	(67,900)	-	420,500
Total	2,545,180	488,400	(333,400)	(1,555,380)	1,144,800

The share-based compensation expense recognised in the profit or loss as disclosed in Note 7(d) to the financial statements was RM3.6 million (2022: RM6.4 million).

The share-based payment liabilities recognised within "Trade and other payables" in the statements of financial position of the Group for the financial year ended 31 December 2023 was RM9.7 million (2022: RM7.2 million).

Notes to the Financial Statements For the financial year ended 31 December 2023

14. SHARE-BASED COMPENSATION PLANS (CONTINUED)

(d) Performance Based Restrictive Share Plan of Dialog

The Board of Directors of Dialog had approved the implementation of a Performance Based Restrictive Share Plan of Dialog as part of Dialog's LTIP and it was approved by Dialog shareholders in May 2017.

Eligibility is determined upon an employee satisfying the following:

- has attained the age of eighteen (18) years;
- is an executive director of Dialog or has entered into a full-time or fixed-term contract of employment with and is on the payroll of Dialog and its subsidiaries; and whose service has been confirmed; and
- has fulfilled any other eligibility criteria which has been determined by the Board of Directors of Dialog at its absolute discretion, as the case may be.

Due to the current market condition, the management decided to cancel the said LTIP scheme effective from the financial year, hence the total provision has been reversed.

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

	At 1 January	Cancelled	Lapsed	Vested	At 31 December
2023	**18,680,370**	**(18,680,370)**	**-**	**-**	**-**
2022	66,447,014	-	(733,844)	(47,032,800)	18,680,370

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

Grant date	Vesting date	Volume weighted average share price in LKR per ordinary share	Number of ordinary shares 2023	Number of ordinary shares 2022
1 Oct 2021	30 Apr 2023	10.77	-	18,680,370
Total			-	18,680,370

The reversal of share-based compensation expense recognised in the profit or loss was RM2.3 million (2022: expense of RM3.1 million).

(e) Cash-settled share-based compensation plans which are individually immaterial

During the financial year, the Group recognised the expenses and liabilities of cash-settled share-based compensation plans of certain subsidiaries which are individually immaterial as follows:

- total share-based compensation expenses recognised in the profit or loss as disclosed in Note 7(d) to the financial statements amounting to RM3.4 million (2022: RM2.5 million); and

- total share-based payment liabilities recognised within "Trade and other payables" in the statements of financial position of the Group amounting to RM11.8 million (2022: RM8.0 million).

Notes to the Financial Statements For the financial year ended 31 December 2023

15. RESERVES

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Retained earnings		**11,508,672**	14,423,385	**8,135,788**	9,586,497
Currency translation differences arising from translation of subsidiaries		**(1,150,691)**	(2,167,219)	**-**	-
Reserves:					
- Capital contribution	(a)	**16,598**	16,598	**16,598**	16,598
- Merger	(b)	**346,774**	346,774	**-**	-
- Hedging	(c)	**(258,880)**	(316,584)	**(863)**	11,593
- Cost of hedging	(d)	**12,869**	(18,212)	**4,061**	4,515
- Actuarial	(e)	**32,982**	18,925	**-**	-
- Share-based payment	(f)	**28,006**	28,241	**23,590**	21,970
- FVTOCI	(g)	**(2,392,838)**	(2,311,121)	**-**	-
		(2,214,489)	(2,235,379)	**43,386**	54,676
Total		**8,143,492**	10,020,787	**8,179,174**	9,641,173

(a) The Group's and the Company's capital contribution reserve relates to the Employee Share Option Scheme of Telekom Malaysia Berhad, a former holding company, which was made available to the employees of the Group and the Company.

(b) The Group's merger reserve relates to the credit difference arising from the business combination accounted under the predecessor method of accounting upon completion of a Group's restructuring exercise on 25 April 2008.

(c) The Group's and the Company's hedging reserve mainly consists of cash flow hedge arising from effective hedges as disclosed in Note 18(b), Note 18(c) and Note 18(d) to the financial statements.

(d) The Group's and the Company's cost of hedging reserve represents the change in the foreign currency basis spread of the CCIRS and IRS as disclosed in Note 18(b) and Note 18(c) to the financial statements.

(e) The Group's actuarial reserve relates to actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions from post-employment benefit obligations.

(f) The Group's and the Company's share-based payment reserve relates to share-based compensation plans of the Group and the Company, which were made available to the employees as disclosed in Note 14 to the financial statements.

(g) The Group's FVTOCI reserve is the cumulative fair value change of financial assets at FVTOCI since the inception of the assets being designated as FVTOCI.

15. RESERVES (CONTINUED)

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

	Capital contribution RM'000	Merger RM'000	Hedging RM'000	Cost of hedging RM'000	Actuarial RM'000	Share-based payment RM'000	FVTOCI RM'000	Total RM'000
Group								
At 1 January 2023	**16,598**	**346,774**	**(316,584)**	**(18,212)**	**18,925**	**28,241**	**(2,311,121)**	**(2,235,379)**
Other comprehensive income/(expense):								
- Net cash flow hedge	-	-	57,704	-	-	-	-	57,704
- Net cash of hedging	-	-	-	31,081	-	-	-	31,081
- Actuarial gains (net of tax)	-	-	-	-	14,004	-	-	14,004
- Revaluation of financial assets at FVTOCI	-	-	-	-	-	-	(81,717)	(81,717)
Total other comprehensive income/(expense) for the financial year	-	-	57,704	31,081	14,004	-	(81,717)	21,072
Transactions with owners:								
- Dilutions/Accretions of equity interests in subsidiaries	-	-	-	-	53	-	-	53
- Share-based compensation expense	-	-	-	-	-	6,929	-	6,929
- Transferred from share-based payment reserve upon vesting/forfeiture	-	-	-	-	-	(7,164)	-	(7,164)
Total transactions with owners	-	-	-	-	53	(235)	-	(182)
At 31 December 2023	16,598	346,774	(258,880)	12,869	32,982	28,006	(2,392,838)	(2,214,489)

Notes to the Financial Statements For the financial year ended 31 December 2023

15. RESERVES (CONTINUED)

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

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

16. BORROWINGS

		2023				2022			
	Note	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)	**7.40**	**2,158,515**	**141,489**	**2,300,004**	7.82	2,414,336	251,313	2,665,649
- Bank overdrafts	(a)	**18.63**	**-**	**18,366**	**18,366**	17.57	-	42,865	42,865
Unsecured:									
- Borrowings from financial institutions	(g)	**7.56**	**4,242,586**	**1,327,606**	**5,570,192**	6.50	2,279,015	2,806,486	5,085,501
- Sukuk Ijarah	(b)(ii)	**8.08**	**585,398**	**125,672**	**711,070**	8.17	665,753	49,532	715,285
- Bonds	(c)	**7.60**	**499,837**	**15,863**	**515,700**	7.74	483,825	41,389	525,214
- Bank overdrafts		**18.86**	**-**	**465,211**	**465,211**	10.47	-	99,616	99,616
Total overseas		**8.13**	**7,486,336**	**2,094,207**	**9,580,543**	7.18	5,842,929	3,291,201	9,134,130

W.A.R.F. - Weighted Average Rate of Finance as at reporting date

Notes to the Financial Statements For the financial year ended 31 December 2023

16. BORROWINGS (CONTINUED)

		2023				2022			
	Note	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:									
- Notes	(d)(ii)	**-**	**-**	**-**	**-**	7.33	19,635	-	19,635
- Borrowings from financial institutions	(a)	**6.85**	**2,238,343**	**30,194**	**2,268,537**	5.13	243,577	67,764	311,341
Unsecured:									
- Notes	(d)(i),(g)	**3.04**	**4,576,267**	**51,096**	**4,627,363**	3.04	4,375,634	48,976	4,424,610
- Borrowings from financial institutions		**5.89**	**1,887,818**	**432,707**	**2,320,525**	4.20	2,085,238	3,619,821	5,705,059
- Sukuk	(b) (i),(iii),(g)	**3.48**	**5,983,223**	**61,957**	**6,045,180**	3.50	5,780,491	60,366	5,840,857
Total Malaysia		**4.22**	**14,685,651**	**575,954**	**15,261,605**	3.65	12,504,575	3,796,927	16,301,502
Total		**5.73**	**22,171,987**	**2,670,161**	**24,842,148**	4.92	18,347,504	7,088,128	25,435,632
Company									
Unsecured:									
- Borrowings from financial institutions		**6.01**	**1,829,870**	**3,996**	**1,833,866**	4.26	1,993,956	2,162,987	4,156,943

Notes to the Financial Statements For the financial year ended 31 December 2023

16. BORROWINGS (CONTINUED)

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

(b) Sukuk

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

(i) Multi-Currency Sukuk

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

On 24 March 2016, the Group issued USD0.5 billion Sukuk ("Sukuk 2026") pursuant to the Sukuk Programme. Sukuk 2026, which was issued at par, carries a coupon rate of 4.357% p.a. (payable semi-annually in arrears) and has a tenure of ten (10) years from the date of issuance, maturing on 24 March 2026. Subsequently, 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 2023 RM'million	Nominal value 2022 RM'million
Sukuk 2026	4.357	24 Mar 2026	**2,295.0**	2,195.0
Sukuk 2030	2.163	19 Aug 2030	**2,295.0**	2,195.0
			4,590.0	4,390.0

[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 IDR'million	Annual fixed Sukuk Ijarah return RM'million	Maturity date	Nominal value 2023 RM'million	Nominal value 2022 RM'million
Series D	23,660	7.1	28 Apr 2024	**77.5**	73.3
Series E	31,584	9.4	28 Apr 2027	**100.1**	94.8
				177.6	168.1

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 2023

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		2023 RM'million	2022 RM'million
Series C	14,304	4.3	16 Oct 2023	**-**	42.0
Series D	3,434	1.0	16 Oct 2025	**10.1**	9.6
Series E	6,180	1.8	16 Oct 2028	**17.9**	16.9
				28.0	68.5

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		2023 RM'million	2022 RM'million
Series C	12,765	3.8	8 Feb 2024	**41.1**	38.9
Series D	1,455	0.4	8 Feb 2026	**4.5**	4.2
Series E	2,600	0.8	8 Feb 2029	**7.7**	7.3
				53.3	50.4

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.

16. BORROWINGS (CONTINUED)

(b) Sukuk (continued)

(ii) Sukuk Ijarah (continued)

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

	Annual fixed Sukuk Ijarah return		Maturity date	Nominal value	
	IDR'million	RM'million		2023 RM'million	2022 RM'million
Series A	45,962	13.7	1 Sep 2025	**202.9**	192.0
Series B	31,176	9.3	1 Sep 2027	**125.5**	118.8
Series C	10,676	3.2	1 Sep 2029	**40.3**	38.1
Series D	21,669	6.5	1 Sep 2032	**78.3**	74.1
				447.0	423.0

Revenue sharing of Sukuk Ijarah III, Tranche I is paid on a quarterly basis with the first payment on 1 December 2022 and the last payment will be paid simultaneously with payment of principal of each series of the Sukuk Ijarah.

(iii) Sukuk Wakalah

On 23 August 2022, EDOTCO via its wholly owned subsidiary, edotco Malaysia established a Sukuk Wakalah Programme of up to RM3.0 billion in nominal value. On 9 September 2022, edotco Malaysia has successfully issued RM1.4 billion series of Sukuk at par with maturity period between three (3) and ten (10) years.

The details of the Sukuk Wakalah as at 31 December are as follows:

	Period distribution rate[1]	Maturity date	Nominal value	
	%		2023 RM'million	2022 RM'million
Tranche 1	3.93	9 Sep 2025	**100.0**	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
			1,400.0	1,400.0

[1] Payable semi-annually

Notes to the Financial Statements For the financial year ended 31 December 2023

16. BORROWINGS (CONTINUED)

(c) Bonds

On 8 October 2018, XL issued a series of bonds namely Shelf Bond I XL Axiata Tranche I Year 2018 ("Bond I, Tranche I") amounting to IDR1.0 trillion with maturity period between three hundred and twenty eight (328) days and ten (10) years. Bond I, Tranche I was listed and quoted on IDX on 17 October 2018.

The details of Bond I, Tranche I are as follows:

	Annual fixed interest rate	Maturity date	Nominal value	
	%		2023 RM'million	2022 RM'million
Series C	9.60	16 Oct 2023	**-**	36.9
Series D	10.10	16 Oct 2025	**5.7**	5.4
Series E	10.30	16 Oct 2028	**21.5**	20.3
			27.2	62.6

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	
	%		2023 RM'million	2022 RM'million
Series C	9.25	8 Feb 2024	**11.9**	11.3
Series D	10.00	8 Feb 2029	**27.7**	26.2
			39.6	37.5

Interest payment of Bond I, Tranche II is paid on a quarterly basis with the first payment on 8 May 2019 and the last payment will be paid simultaneously with payment of principal of each series of the Bond.

On 1 September 2022, XL issued a series of bonds namely Shelf Bond II XL Axiata Tranche I Year 2022 ("Bond II, Tranche I") amounting to IDR1.5 trillion with maturity period between three (3) and ten (10) years. Bond II, Tranche I was listed and quoted on IDX on 2 September 2022.

The details of Bond II, Tranche I are as follows:

	Annual fixed interest rate	Maturity date	Nominal value	
	%		2023 RM'million	2022 RM'million
Series A	6.75	1 Sep 2025	**219.1**	207.3
Series B	7.40	1 Sep 2027	**122.7**	116.1
Series C	7.90	1 Sep 2029	**53.0**	50.2
Series D	8.25	1 Sep 2032	**52.2**	49.4
			447.0	423.0

Interest payment of Bond II, Tranche I is paid on a quarterly basis with the first payment on 1 December 2022 and the last payment will be paid simultaneously with payment of principal of each series of the Bond.

Notes to the Financial Statements For the financial year ended 31 December 2023

16. BORROWINGS (CONTINUED)

(d) Notes of the Group consist of Euro Medium Term Note ("EMTN") and Medium Term Note ("MTN") as follows:

(i) EMTN

The Company via its wholly owned subsidiary Axiata SPV5 (Labuan) Limited ("SPV5") established a Euro Medium Term Note Programme ("EMTN Programme") involving issuance of up to USD1.5 billion or its equivalent in other currencies.

On 19 August 2020, SPV5 issued USD1.0 billion EMTN at par and has a tenure of thirty (30) years from the date of issuance. On 21 August 2020, the EMTN was listed and quoted on the SGX-ST.

The details of the EMTN as at 31 December are as follows:

	Annual fixed interest rate[1]	Maturity date	Nominal value	
			2023	2022
	%		RM'million	RM'million
EMTN	3.064	19 Aug 2050	**4,590.0**	4,390.0

[1] Payable semi-annually

(ii) MTN

On 31 March 2022, Salvare Asset Berhad ("SAB"), a subsidiary of the Group issued RM39.0 million (which the Company subscribed RM19.0 million) Class A Senior Notes pursuant to the MTN Programme. The MTN, which was issued at par, carries a coupon rate of 7.20% p.a. (payable quarterly in arrears) and has a tenure of thirty (30) months from the date of issuance, maturing on 30 September 2024.

The MTN is secured by way of the following:

(i) first fixed and floating charge over the whole of the SAB's undertaking and its cash and bank balances, both present and future, as disclosed in Note 35 to the financial statements;

(ii) first legal charge by the share trustee over the entire issued and paid-up share capital of the SAB;

(iii) a legal assignment of the SAB's rights under the master sale and purchase agreement and the administration agreement; and

(iv) such other security as may be advised by the solicitors.

The MTN was early repaid on 27 September 2023.

(e) 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.

(f) Total floating interest rate borrowings of the Group and the Company are RM9,138.4 million (2022: RM11,000.8 million) and RM1,836.0 million (2022: RM4,174.0 million) respectively as at the reporting date.

(g) The Company provides financial guarantee to licensed banks in respect of banking facilities granted to its subsidiaries amounting to USD2,231.5 million (RM10,242.6 million) (2022: USD2,231.5 million (RM9,796.3 million)).

Notes to the Financial Statements For the financial year ended 31 December 2023

16. BORROWINGS (CONTINUED)

(h) The Group's and the Company's net movements in borrowings are analysed as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 January	**25,435,632**	19,050,495	**4,156,943**	1,287,333
Proceeds from borrowings and Sukuk	**8,874,102**	19,104,030	**1,256,350**	4,627,234
Acquisition of subsidiaries	**-**	846,574	**-**	-
Disposal of group of subsidiaries	**(511,582)**	(1,628,635)	**-**	-
Repayments of borrowings and Sukuk	**(10,462,110)**	(12,109,945)	**(3,709,060)**	(1,811,943)
Bank overdrafts	**341,096**	(71,151)	**-**	-
Foreign exchange losses	**591,562**	828,228	**118,620**	25,295
Finance costs on borrowings and Sukuk	**1,446,947**	1,058,442	**185,798**	102,447
Payment of finance costs	**(1,405,697)**	(902,720)	**(174,785)**	(73,423)
Currency translation differences	**532,198**	(739,686)	**-**	-
At 31 December	**24,842,148**	25,435,632	**1,833,866**	4,156,943

16. BORROWINGS (CONTINUED)

The currencies profile of borrowings of the Group and the Company are as follows:

	2023							2022							
	Functional currency							Functional currency							
	RM RM'000	IDR RM'000	LKR RM'000	BDT RM'000	PHP RM'000	Others RM'000	Total RM'000	RM RM'000	IDR RM'000	LKR RM'000	BDT RM'000	NPR RM'000	PHP RM'000	Others RM'000	Total RM'000
Group															
RM	**1,668,362**	**-**	**-**	**-**	**-**	**-**	**1,668,362**	3,007,691	-	-	-	-	-	-	3,007,691
USD	**13,593,244**	**-**	**643,265**	**359,490**	**-**	**11,481**	**14,607,480**	13,293,811	-	602,927	410,916	-	-	12,246	14,319,900
IDR	**-**	**5,102,563**	**-**	**-**	**-**	**-**	**5,102,563**	-	4,864,119	-	-	-	-	-	4,864,119
LKR	**-**	**-**	**925,158**	**-**	**-**	**-**	**925,158**	-	-	231,270	-	-	-	-	231,270
BDT	**-**	**-**	**-**	**363,768**	**-**	**-**	**363,768**	-	-	-	378,759	-	-	-	378,759
NPR	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-	-	652,766	-	-	652,766
PKR	**-**	**-**	**-**	**-**	**-**	**44,325**	**44,325**	-	-	-	-	-	-	80,162	80,162
PHP	**-**	**-**	**-**	**-**	**2,130,492**	**-**	**2,130,492**	-	-	-	-	-	1,900,965	-	1,900,965
Total	**15,261,606**	**5,102,563**	**1,568,423**	**723,258**	**2,130,492**	**55,806**	**24,842,148**	16,301,502	4,864,119	834,197	789,675	652,766	1,900,965	92,408	25,435,632
Company															
RM	**-**	**-**	**-**	**-**	**-**	**-**	**-**	1,371,983	-	-	-	-	-	-	1,371,983
USD	**1,833,866**	**-**	**-**	**-**	**-**	**-**	**1,833,866**	2,784,960	-	-	-	-	-	-	2,784,960
Total	**1,833,866**	**-**	**-**	**-**	**-**	**-**	**1,833,866**	4,156,943	-	-	-	-	-	-	4,156,943

USD: United States Dollar
IDR: Indonesian Rupiah
LKR: Sri Lankan Rupee
BDT: Bangladeshi Taka
NPR: Nepalese Rupee
PKR: Pakistani Rupee
PHP: Philippine Peso

Notes to the Financial Statements For the financial year ended 31 December 2023

16. BORROWINGS (CONTINUED)

The carrying amount of borrowings of the Group at the reporting date approximated their fair values except as set out below:

	2023		2022	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Group				
- Sukuk Ijarah[1]	**711,070**	**724,505**	715,285	733,923
- Bonds[1]	**515,700**	**523,126**	525,214	532,206
- EMTN[1]	**4,627,363**	**3,162,923**	4,424,610	2,909,604
- Multi-Currency Sukuk[1]	**4,627,536**	**4,214,653**	4,423,603	3,904,510
- Sukuk Wakalah[2]	**1,417,644**	**1,421,203**	1,417,253	1,396,360

[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 2023

17. FINANCIAL INSTRUMENTS BY CATEGORIES

		2023				2022			
	Note	Financial assets classified as amortised cost RM'000	Assets at FVTPL RM'000	Assets at FVTOCI RM'000	Total RM'000	Financial assets classified as amortised cost RM'000	Assets at FVTPL RM'000	Assets at FVTOCI RM'000	Total RM'000
Group									
Financial assets									
Derivative financial instruments	18	**-**	**183,177**	**-**	**183,177**	-	40,876	-	40,876
Trade and other receivables		**2,847,744**	**-**	**-**	**2,847,744**	4,843,617	-	-	4,843,617
Financial assets at FVTPL		**-**	**10,877**	**-**	**10,877**	-	5,792	-	5,792
Financial assets at FVTOCI	31	**-**	**-**	**114,247**	**114,247**	-	-	179,180	179,180
Deposits, cash and bank balances	35	**4,612,134**	**-**	**-**	**4,612,134**	7,451,743	-	-	7,451,743
Total		**7,459,878**	**194,054**	**114,247**	**7,768,179**	12,295,360	46,668	179,180	12,521,208

		2023			2022		
	Note	Financial liabilities classified as amortised cost RM'000	Liabilities at FVTPL RM'000	Total RM'000	Financial liabilities classified as amortised cost RM'000	Liabilities at FVTPL RM'000	Total RM'000
Group							
Financial liabilities							
Borrowings	16	**24,842,148**	**-**	**24,842,148**	25,435,632	-	25,435,632
Derivative financial instruments	18	**-**	**16,015**	**16,015**	-	186,642	186,642
Trade and other payables		**6,350,775**	**-**	**6,350,775**	7,609,857	-	7,609,857
Total		**31,192,923**	**16,015**	**31,208,938**	33,045,489	186,642	33,232,131

Notes to the Financial Statements For the financial year ended 31 December 2023

17. FINANCIAL INSTRUMENTS BY CATEGORIES (CONTINUED)

	Note	2023 RM'000	2022 RM'000
Company			
Financial assets			
Financial assets classified as amortised cost			
Amounts due from subsidiaries	33	**630,440**	846,146
Other receivables and deposits		**5,318**	2,432,307
Deposits, cash and bank balances	35	**1,426,660**	2,124,105
Assets at FVTPL			
Derivative financial instruments	18	**21,209**	17,941
Total		**2,083,627**	5,420,499
Financial liabilities			
Financial liabilities classified as amortised cost			
Accruals and other payables		**135,258**	142,858
Borrowings	16	**1,833,866**	4,156,943
Amounts due to subsidiaries	33	**8,159,499**	8,907,870
Financial guarantee contracts		**515,818**	148,463
Liabilities at FVTPL			
Derivative financial instruments	18	**-**	6,415
Total		**10,644,441**	13,362,549

Notes to the Financial Statements For the financial year ended 31 December 2023

18. DERIVATIVE FINANCIAL INSTRUMENTS

	Note	2023 Assets RM'000	2023 Liabilities RM'000	2022 Assets RM'000	2022 Liabilities RM'000
Group					
Non-current					
Non-hedging derivatives:					
- Call option over shares held by NCI	(a)	**2,311**	**-**	2,311	-
Derivatives designated as hedging instrument:					
- Interest rate swap ("IRS")	(c)	**9,641**	**-**	3,844	-
- CCIRS	(b)	**159,657**	**-**	19,790	(162,354)
- Foreign exchange forward ("FX Forward")	(d)	**10,869**	**-**	-	(6,363)
Total non-current		**182,478**	**-**	25,945	(168,717)
Current					
Derivatives designated as hedging instrument:					
- IRS	(c)	**538**	**-**	9,940	-
- CCIRS	(b)	**-**	**(16,015)**	4,991	(17,873)
- FX Forward	(d)	**161**	**-**	-	(52)
Total current		**699**	**(16,015)**	14,931	(17,925)
Total		**183,177**	**(16,015)**	40,876	(186,642)
Company					
Non-current					
Derivatives designated as hedging instrument:					
- IRS	(c)	**9,641**	**-**	3,010	-
- FX Forward	(d)	**10,869**	**-**	-	(6,363)
Total non-current		**20,510**	**-**	3,010	(6,363)
Current					
Derivatives designated as hedging instrument:					
- IRS	(c)	**538**	**-**	9,940	-
- CCIRS	(b)	**-**	**-**	4,991	-
- FX Forward	(d)	**161**	**-**	-	(52)
Total current		**699**	**-**	14,931	(52)
Total		**21,209**	**-**	17,941	(6,415)

18. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Non-hedging derivatives are classified as current/non-current assets or liabilities. The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than twelve (12) months and, as a current asset or liability, if the maturity of the hedged items is less than twelve (12) months.

Non-hedging derivative

(a) Call option over shares held by NCI

Boost Holdings has been granted with a call option to purchase the shares in CMA owned by PT Monetrans Mitra Indonesia at a price equal to 90.00% of the exit price to increase its shareholding up to 85.00% of the issued and paid-up shares of CMA.

The fair value of the call options was estimated using the Black-Scholes valuation model, taking into account the terms and conditions upon which the options were granted.

Derivatives designated as hedging instrument

(b) Cash flow hedge – CCIRS

The Group and the Company entered into CCIRS that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group and the Company does not hedge 100% of its borrowings, therefore the hedged item is identified as a proportion of the outstanding borrowings up to the notional amount of the swaps. As all critical terms matched, there is an economic relationship.

The underlying debt instrument for the CCIRS is the Group's Multi-Currency Sukuk and the Company's borrowings from financial institutions as disclosed in Note 16 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 gain of RM107.2 million (2022: loss of RM299.5 million) in OCI after reclassification of fair value gain of RM192.4 million (2022: gain of RM220.2 million) on the CCIRS from the OCI to the profit or loss – foreign exchange gain/(loss) on financing activities.

During the financial year, the Company:

- recognised a gain of RM4.9 million (2022: loss of RM4.9 million) in OCI after reclassification of fair value loss of RM7.7 million (2022: gain of RM7.7 million) on the CCIRS from the OCI to the profit or loss – foreign exchange gain/(loss) on financing activities.
- derecognised CCIRS which matured on 8 May 2023. As a result of the derecognition, a gain of RM6.7 million was reclassified from the OCI to the profit or loss.

18. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Derivatives designated as hedging instrument (continued)

(b) Cash flow hedge – CCIRS (continued)

Information relating to the CCIRS of a subsidiary of the Group as at 31 December is as follows:

Counterparties	Notional amount USD'million	Exchange rate	Notional amount RM'million	Notional carrying amount 2023 RM'million	Notional carrying amount 2022 RM'million	Period	Semi-annually fixed interest rate paid on RM notional %	Semi-annually fixed interest rate received on USD notional %	Fair value assets/ (liabilities) 2023 RM'000	Fair value assets/ (liabilities) 2022 RM'000
Sukuk maturing on 24 March 2026										
CIMB Bank Berhad	130.0	4.193	545.1	**596.7**	570.7	20 Dec 2016- 24 Mar 2026	6.656	4.357	**14,960**	(26,260)
	50.0	4.070	203.5	**229.5**	219.5	25 Mar 2019- 24 Mar 2026	5.600	4.357	**17,718**	3,929
	46.0	4.080	187.7	**211.1**	201.9	25 Mar 2019- 24 Mar 2026	5.480	4.357	**16,351**	3,859
HSBC Bank Malaysia Berhad	20.0	4.160	83.2	**91.8**	87.8	28 Oct 2016- 24 Mar 2026	6.730	4.357	**2,883**	(3,499)
	50.0	4.060	203.0	**229.5**	219.5	25 Mar 2019- 24 Mar 2026	5.470	4.357	**18,784**	5,204
MUFG Bank (Malaysia) Berhad	154.0	4.160	640.7	**706.9**	676.1	27 Dec 2016- 24 Mar 2026	6.641	4.357	**23,445**	(25,192)
	50.0	4.060	203.0	**229.5**	219.5	25 Mar 2019- 24 Mar 2026	5.470	4.357	**18,784**	5,204
	500.0		2,066.2	**2,295.0**	2,195.0				**112,925**	(36,755)
Weighted average		4.132					6.210	4.357		

18. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Derivatives designated as hedging instrument (continued)

(b) Cash flow hedge – CCIRS (continued)

Information relating to the CCIRS of a subsidiary of the Group as at 31 December is as follows: (continued)

Counterparties	Notional amount USD'million	Exchange rate	Notional amount RM'million	Notional carrying amount 2023 RM'million	Notional carrying amount 2022 RM'million	Period	Semi-annually fixed interest rate paid on RM notional %	Semi-annually fixed interest rate received on USD notional %	Fair value assets/ (liabilities) 2023 RM'000	Fair value assets/ (liabilities) 2022 RM'000
Sukuk maturing on 19 August 2030										
CIMB Bank Berhad	50.0	4.045	202.3	**229.5**	219.5	19 Feb 2021-19 Aug 2030	3.350	2.163	**8,330**	(6,755)
	50.0	4.071	203.5	**229.5**	219.5	19 Feb 2021-19 Aug 2030	3.580	2.163	**4,100**	(11,319)
	70.0	4.118	288.3	**321.3**	307.3	19 Feb 2021-19 Aug 2030	3.700	2.163	**152**	(21,670)
MUFG Bank (Malaysia) Berhad	30.0	4.044	121.3	**137.7**	131.7	19 Feb 2021-19 Aug 2030	3.330	2.163	**5,181**	(3,853)
	50.0	4.070	203.5	**229.5**	219.5	19 Feb 2021-19 Aug 2030	3.580	2.163	**4,152**	(11,268)
Standard Chartered Bank Malaysia Berhad	50.0	4.055	202.8	**229.5**	219.5	19 Feb 2021-19 Aug 2030	3.470	2.163	**6,297**	(8,964)
Malayan Banking Berhad	200.0	4.108	821.6	**918.0**	878.0	19 Feb 2021-19 Aug 2030	3.700	2.163	**2,506**	(59,853)
	500.0		2,043.3	**2,295.0**	2,195.0				**30,718**	(123,682)
Weighted average		4.087					3.596	2.163		

18. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Derivatives designated as hedging instrument (continued)

(b) Cash flow hedge – CCIRS (continued)

Information relating to the CCIRS of the Company as at 31 December is as follows:

Counterparties	Notional amount USD'million	Exchange rate	Notional amount RM'million	Notional carrying amount 2023 RM'million	Notional carrying amount 2022 RM'million	Period	Quarterly fixed interest rate paid on RM notional %	Quarterly fixed interest rate received on USD notional %	Fair value assets/ (liabilities) 2023 RM'000	Fair value assets/ (liabilities) 2022 RM'000
Sukuk maturing on 8 May 2023										
CIMB Bank Berhad	180.0	4.400	792.0	-	790.2	6 May 2022- 8 May 2023	3.450	3M LIBOR + 0.81%	-	4,991
	180.0		792.0	-	790.2				-	4,991
Weighted average		4.400					3.450			

Notes to the Financial Statements For the financial year ended 31 December 2023

18. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Derivatives designated as hedging instrument (continued)

(c) Cash flow hedge – IRS

The underlying debt instrument for the IRS is the Group's and the Company's borrowings from financial institutions as disclosed in Note 16 to the financial statements. The hedging instrument is designed to hedge against interest rate risks.

Information relating to the IRS of the Group and the Company as at 31 December is as follows:

Counterparties	Notional amount USD'million	Period	Payment frequency	Floating/ Fixed interest rate paid %	Floating interest rate received %	Fair value assets/ (liabilities) 2023 RM'000	Fair value assets/ (liabilities) 2022 RM'000
Borrowings from financial institutions maturing on 24 June 2024							
Deutsche Bank AG	80.0	3 Sep 2021- 24 Jun 2024	Quarterly	3M LIBOR + 1.785%	3M LIBOR + 1.47%, capped at 2.00%	-	833
Borrowings from financial institutions maturing on 17 June 2025							
United Overseas Bank (Malaysia) Berhad	80.0	19 Sep 2022- 17 Jun 2025	Quarterly	4.120	3M SOFR daily compounded + 0.65%	**4,790**	6,000
CIMB Bank Berhad	90.0	19 Dec 2022- 17 Jun 2025	Quarterly	4.120	3M SOFR daily compounded + 0.65%	**5,390**	6,951
	250.0					**10,180**	13,784

Notes to the Financial Statements

For the financial year ended 31 December 2023

18. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Derivatives designated as hedging instrument (continued)

(d) Cash flow hedge – FX Forward

The underlying debt instrument for the FX Forward is the Company's borrowings from financial institutions as disclosed in Note 16 to the financial statements. The hedging instrument is designed to hedge against foreign currency risks.

Information relating to the FX Forward of the Company as at 31 December is as follows:

Counterparties	Notional amount USD'million	Exchange rate	Notional amount RM'million	Notional carrying amount		Period	Fair value assets/ (liabilities)	
				2023 RM'million	2022 RM'million		2023 RM'000	2022 RM'000
Borrowings from financial institutions maturing on 17 June 2025								
United Overseas Bank (Malaysia) Berhad	80.0	4.378	350.2	**367.2**	351.2	24 Nov 2022- 17 Jun 2025	**11,031**	(6,415)

Notes to the Financial Statements For the financial year ended 31 December 2023

19. DEFERRED INCOME

	Group		Company
	2023 RM'000	2022 RM'000	2022 RM'000
At 1 January	**5,131**	263,969	**11,736**
Received	**30,083**	477,963	**-**
Released to profit or loss	**(13,672)**	(141,557)	**(11,736)**
Disposal of a group of subsidiaries	**-**	(590,608)	**-**
Currency translation differences	**831**	(4,636)	**-**
At 31 December	**22,373**	5,131	**-**
Current	**17,389**	1,728	**-**
Non-current	**4,984**	3,403	**-**
	22,373	5,131	**-**

Deferred income of the Group mainly relates to the government grants received/receivable by subsidiaries for the purchase of certain qualifying assets.

Deferred income of the Company in the previous financial year related to government grant under PRIHATIN - Program Kredit Mikro Kepada Perusahaan Kecil dan Sederhana Mikro. The government grant was to provide subsidy for the Company's COVID-19 Micro SME support initiatives.

Notes to the Financial Statements For the financial year ended 31 December 2023

20. TRADE AND OTHER PAYABLES

	Note	2023 Non-current RM'000	2023 Current RM'000	2023 Total RM'000	2022 Non-current RM'000	2022 Current RM'000	2022 Total RM'000
Group							
Trade payables		-	3,396,889	3,396,889	-	4,258,013	4,258,013
Customer deposits		-	361,183	361,183	-	270,658	270,658
Business licence payable	(c)	938,769	305,672	1,244,441	382,926	359,039	741,965
Payroll liabilities		20,273	367,326	387,599	21,328	398,248	419,576
Accruals		-	2,686,097	2,686,097	-	3,064,352	3,064,352
Other payables	(c)	187,749	258,791	446,540	197,876	325,604	523,480
USP payables		-	185,887	185,887	-	233,635	233,635
Defined benefit plans	(a)	126,965	31,032	157,997	138,529	6,636	145,165
Contract liabilities	(b)	91,291	1,121,486	1,212,777	65,306	1,270,400	1,335,706
Taxes		-	495,973	495,973	-	299,319	299,319
Deferred revenue		-	82,828	82,828	-	93,661	93,661
Total		1,365,047	9,293,164	10,658,211	805,965	10,579,565	11,385,530
Company							
Payroll liabilities		-	51,749	51,749	-	38,475	38,475
Accruals		-	113,614	113,614	-	124,060	124,060
Other payables		-	21,644	21,644	-	18,798	18,798
Financial guarantee contracts	(d)	493,327	22,491	515,818	-	148,463	148,463
Taxes		-	16,463	16,463	-	10,029	10,029
Total		493,327	225,961	719,288	-	339,825	339,825

Notes to the Financial Statements For the financial year ended 31 December 2023

20. TRADE AND OTHER PAYABLES (CONTINUED)

(a) The Group's defined benefit plans are mainly from Indonesia, Sri Lanka and Bangladesh under the mobile segment, fixed broadband (Indonesia) segment and others. Movements in the present value of defined benefit obligations of the defined benefit plans are as follows:

	Group	
	2023 RM'000	2022 RM'000
At 1 January	**145,165**	112,114
Acquisition of subsidiaries	**254**	44,579
Disposal of a group of subsidiaries	**(264)**	-
Charge/(Credit) to profit or loss:		
- current services	**54,053**	31,694
- interest costs	**7,160**	6,544
- past service costs	**(1,607)**	2,622
	59,606	40,860
Benefit paid	**(36,159)**	(20,825)
Settlement gains	**(3,473)**	(1,150)
Credit to OCI:		
- actuarial gains	**(20,986)**	(8,342)
Currency translation differences	**13,854**	(22,071)
At 31 December	**157,997**	145,165

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			
	2023		2022	
	Discount rate (p.a.)	Salary increment rate (p.a.)	Discount rate (p.a.)	Salary increment rate (p.a.)
Mobile segment:				
- Indonesia	**6.7%**	**8.0%**	7.2%	8.0%
- Sri Lanka	**13.0%**	**10.0% - 12.0%**	12.8% - 17.8%	17.0%
- Bangladesh	**11.0%**	**6.0% - 10.0%**	8.3% - 8.5%	6.0% - 10.0%
Fixed Broadband (Indonesia)	**6.4% - 6.7%**	**3.0% - 5.0%**	5.0% - 7.0%	6.0%
Others	**2.0% - 13.0%**	**5.0% - 10.0%**	2.0% - 12.1%	5.0% - 10.0%

Notes to the Financial Statements For the financial year ended 31 December 2023

20. TRADE AND OTHER PAYABLES (CONTINUED)

(b) The movements of contract liabilities are as follows:

	Group	
	2023 RM'000	2022 RM'000
At 1 January	**1,335,706**	1,874,830
Revenue recognised that was included in the contract liability balance at the beginning of the financial year	**(1,177,612)**	(1,433,063)
Increases due to cash received, excluding amounts recognised as revenue during the financial year	**1,138,096**	1,300,826
Disposal of group of subsidiaries	**(100,217)**	(392,006)
Currency translation differences	**16,804**	(14,881)
At 31 December	**1,212,777**	1,335,706

(c) Non-current business licence payables and other payables are classified as non-current based on payment schedule as per contractual terms.

(d) Financial guarantee contracts

The Company provides financial guarantees to banks in respect of borrowings granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to service their borrowings on an individual basis annually.

Based on sensitivity analysis performed and assuming all other variables held constant, if the expected USD foreign exchange translation rate against RM strengthen/weaken by 5% when the financial guarantee contracts liabilities fall due, it will result in a higher/lower other (losses)/gains of the Company amounting to RM225.0 million.

Notes to the Financial Statements For the financial year ended 31 December 2023

20. TRADE AND OTHER PAYABLES (CONTINUED)

The currencies profiles of trade and other payables are as follows:

	2023							2022							
	Functional currency							Functional currency							
	RM RM'000	IDR RM'000	LKR RM'000	BDT RM'000	USD RM'000	Others RM'000	Total RM'000	RM RM'000	IDR RM'000	LKR RM'000	BDT RM'000	NPR RM'000	USD RM'000	Others RM'000	Total RM'000
Group															
RM	**944,119**	**195**	**-**	**-**	**-**	**-**	**944,314**	999,864	66	53,929	-	-	-	-	1,053,859
USD	**28,066**	**219,277**	**478,660**	**360,314**	**798,619**	**2,040**	**1,886,976**	142,395	188,003	482,107	250,068	131,666	819,911	4,297	2,018,447
IDR	**-**	**3,983,353**	**-**	**-**	**-**	**-**	**3,983,353**	-	4,391,971	-	-	-	96	-	4,392,067
LKR	**-**	**-**	**506,780**	**-**	**393**	**-**	**507,173**	-	-	516,015	-	-	208	-	516,223
BDT	**-**	**-**	**-**	**3,035,463**	**-**	**-**	**3,035,463**	-	-	-	2,464,278	-	-	23	2,464,301
NPR	**-**	**-**	**-**	**-**	**-**	**-**	**-**	11,850	-	-	-	669,528	-	-	681,378
MMK	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-	20,727	-	20,727
PKR	**-**	**-**	**-**	**-**	**-**	**38,383**	**38,383**	-	-	-	-	-	-	47,250	47,250
PHP	**-**	**-**	**-**	**-**	**-**	**180,504**	**180,504**	-	-	-	-	-	-	98,580	98,580
Others	**-**	**74**	**38,814**	**-**	**-**	**43,157**	**82,045**	-	71	39,093	-	-	3,514	50,020	92,698
Total	**972,185**	**4,202,899**	**1,024,254**	**3,395,777**	**799,012**	**264,084**	**10,658,211**	1,154,109	4,580,111	1,091,144	2,714,346	801,194	844,456	200,170	11,385,530
Company															
RM	**233,975**	**-**	**-**	**-**	**-**	**-**	**233,975**	196,615	-	-	-	-	-	-	196,615
USD	**468,750**	**-**	**-**	**-**	**-**	**-**	**468,750**	130,661	-	-	-	-	-	-	130,661
NPR	**14,510**	**-**	**-**	**-**	**-**	**-**	**14,510**	11,850	-	-	-	-	-	-	11,850
Others	**2,053**	**-**	**-**	**-**	**-**	**-**	**2,053**	699	-	-	-	-	-	-	699
Total	**719,288**	**-**	**-**	**-**	**-**	**-**	**719,288**	339,825	-	-	-	-	-	-	339,825

MMK: Myanmar Kyat

Credit terms of trade and other payables for the Group and the Company vary from thirty (30) to ninety (90) days (2022: thirty (30) to ninety (90) days) depending on the terms of the contracts respectively.

Notes to the Financial Statements For the financial year ended 31 December 2023

21. PROVISION FOR ASSET RETIREMENT

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 January	**846,488**	747,795	**101**	829
Disposal of group of subsidiaries	**(56,648)**	(172,371)	**-**	-
Additions	**79,709**	269,375	**-**	1,086
Utilised during the financial year	**(16,934)**	(11,508)	**-**	(1,841)
Accretion of interest	**34,674**	44,157	**34**	27
Reclassified (to)/from liabilities classified as held for sale	**(181,044)**	399	**-**	-
Currency translation differences	**45,155**	(31,359)	**-**	-
At 31 December	**751,400**	846,488	**135**	101

The provision for asset retirement of the Group relates to provision for dismantling costs of existing telecommunication network equipment and buildings.

22. DEFERRED TAXATION

Deferred tax assets and liabilities of the Group are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	Group	
	2023 RM'000	2022 RM'000
Deferred tax assets:		
- To be recovered within twelve (12) months	**12,534**	63,240
- To be recovered after more than twelve (12) months	**120,468**	112,398
Deferred tax assets	**133,002**	175,638
Deferred tax liabilities:		
- To be recovered within twelve (12) months	**256,621**	245,426
- To be recovered after more than twelve (12) months	**380,509**	688,386
Deferred tax liabilities	**637,130**	933,812
Net deferred tax liabilities	**504,128**	758,174

Notes to the Financial Statements For the financial year ended 31 December 2023

22. DEFERRED TAXATION (CONTINUED)

The movements in net deferred tax liabilities are as follows:

	Note	Group 2023 RM'000	Group 2022 RM'000 Restated
At 1 January		**758,174**	1,018,986
Acquisition of subsidiaries		**(42)**	96,203
Disposal of group of subsidiaries		**151,048**	(566,763)
(Credit)/Charge to profit or loss:			
- PPE and intangible assets		**(364,427)**	111,555
- Tax losses		**4,002**	26,401
- ROU assets		**342,213**	(978,805)
- Lease liabilities		**(250,757)**	1,103,087
- Provision and others		**(147,196)**	(12,745)
		(416,165)	249,493
Debit to OCI:			
- actuarial losses		**4,038**	7,686
- FVTOCI		**1,079**	-
Currency translation differences		**30,325**	(47,431)
Reclassified to:			
- assets classified as held for sale	37	**22,272**	-
- liabilities classified as held for sale	37	**(46,601)**	-
At 31 December		**504,128**	758,174

Breakdown of cumulative balances by each type of temporary differences are as follows:

	Group 2023 RM'000	Group 2022 RM'000 Restated
Deferred tax assets:		
- PPE and intangible assets	**24,176**	63,685
- Tax losses	**39,536**	35,292
- Lease liabilities	**2,312,418**	1,923,162
- Provision and others	**377,080**	381,841
	2,753,210	2,403,980
Offsetting	**(2,620,208)**	(2,228,342)
Total	**133,002**	175,638
Deferred tax liabilities:		
- PPE and intangible assets	**991,922**	1,310,402
- ROU assets	**2,174,718**	1,840,186
- Others	**90,698**	11,566
	3,257,338	3,162,154
Offsetting	**(2,620,208)**	(2,228,342)
Total	**637,130**	933,812

Notes to the Financial Statements For the financial year ended 31 December 2023

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	
	2023 RM'000	2022 RM'000 Restated[1]	2023 RM'000	2022 RM'000 Restated[1]
Unutilised tax losses	**2,461,354**	2,289,111	**567,481**	548,326
Deductible temporary differences[2]	**851,393**	578,859	**104,803**	88,756
	3,312,747	2,867,970	**672,284**	637,082

[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	
	2023 RM'000	2022 RM'000 Restated[1]	2023 RM'000	2022 RM'000 Restated[1]
Expiring in the financial year ending:				
- 2023	**-**	33,899	**-**	-
- 2024	**37,245**	54,116	**-**	-
- 2025	**136,042**	66,097	**-**	-
- 2026	**71,443**	190,329	**-**	-
- 2027	**117,797**	65,348	**-**	-
- 2028	**677,463**	596,460	**162,690**	162,690
- 2029	**370,820**	380,620	**108,991**	108,991
- 2030	**306,717**	306,717	**99,507**	99,507
- 2031	**246,895**	246,895	**103,761**	103,761
- 2032	**273,099**	250,439	**73,377**	73,377
- 2033	**186,235**	-	**19,155**	-
- No expiry date	**37,598**	98,191	**-**	-
Total	**2,461,354**	2,289,111	**567,481**	548,326

[1] Restated to be consistent with actual tax submission.

Notes to the Financial Statements For the financial year ended 31 December 2023

23. LEASE LIABILITIES

The movements in lease liabilities are as follows:

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 January		**10,443,891**	10,170,995	**1,881**	10,744
Additions		**3,049,075**	3,281,115	**-**	-
Acquisition of subsidiaries		**-**	142,304	**-**	-
Disposal of group of subsidiaries		**(123,538)**	(1,208,155)	**-**	-
Interest expense		**793,881**	753,923	**24**	425
Repayment of:					
- principal		**(1,759,069)**	(1,705,311)	**(1,792)**	(4,144)
- interest		**(805,689)**	(618,284)	**(113)**	(425)
Remeasurement		**44,745**	65,325	**-**	-
Modification		**18,711**	3,691	**-**	(4,719)
Termination		**(1,466)**	(3,326)	**-**	-
Reclassified to liabilities classified as held for sale	37	**(61,113)**	-	**-**	-
Currency translation differences		**502,580**	(438,386)	**-**	-
At 31 December		**12,102,008**	10,443,891	**-**	1,881
Non-current		**10,015,513**	8,604,274	**-**	-
Current		**2,086,495**	1,839,617	**-**	1,881
		12,102,008	10,443,891	**-**	1,881

The Group leases sites for installation of telecommunication structures, retail outlets, land and office buildings. Rental contracts duration is typically between one (1) to forty (40) years (2022: one (1) to forty (40) years) including extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Extension and termination options are included, to provide the Group with greater flexibility to align its need for access to assets with the fulfilment of customer contracts.

In cases in which the Group is not reasonably certain to exercise an optional extended lease term, payment associated with the optional period are not included within lease liabilities. As at 31 December 2023, potential future cash outflows of RM16,355.9 million (undiscounted) (2022: RM15,202.9 million) have not been included in the lease liabilities because it is not reasonably certain that the leases will be extended (or not terminated).

During the current financial year, the Company is still negotiating the lease term for the new office floors and the rental incurred have been recognised as other operating costs as disclosed in Note 7 to the financial statements. In the previous financial year, the Company leases office building with a lease term of five (5) years, including extension options.

The cash outflows for leases as lessee of the Group and the Company for the financial year ended 31 December 2023 were RM2,680.9 million (2022: RM2,219.9 million) and RM1.9 million (2022: RM4.6 million) respectively.

Notes to the Financial Statements For the financial year ended 31 December 2023

24. INTANGIBLE ASSETS

		Group			
	Note	Goodwill RM'000	Licences RM'000	Others[1] RM'000	Total RM'000
Net book value					
At 1 January 2023		**6,782,608**	**4,774,249**	**1,885,293**	**13,442,150**
Acquisition of subsidiaries		**31,798**	**955**	**31,009**	**63,762**
Additions[2]		**-**	**923,517**	**254,848**	**1,178,365**
Amortisation		**-**	**(620,167)**	**(393,449)**	**(1,013,616)**
Write-off		**-**	**-**	**(3)**	**(3)**
Impairment	(a)	**(181,098)**	**(1,036,525)**	**(295,525)**	**(1,513,148)**
Disposal of a group of subsidiaries		**-**	**(321,522)**	**(51,710)**	**(373,232)**
Reclassified to assets classified as held for sale	37	**-**	**-**	**(40,496)**	**(40,496)**
Reclassification		**-**	**-**	**67,229**	**67,229**
Currency translation differences		**193,038**	**165,164**	**68,332**	**426,534**
At 31 December 2023		**6,826,346**	**3,885,671**	**1,525,528**	**12,237,545**
Cost		**8,330,834**	**6,467,359**	**2,986,106**	**17,784,299**
Accumulated amortisation		**-**	**(2,581,688)**	**(1,456,179)**	**(4,037,867)**
Accumulated impairment losses		**(1,504,488)**	**-**	**(4,399)**	**(1,508,887)**
At 31 December 2023		**6,826,346**	**3,885,671**	**1,525,528**	**12,237,545**

(a) Impairment recognised during the financial year mainly relates to the Nepal CGU and Myanmar CGU, as disclosed in Note 5(a)(i) and Note 24(e)(iii) to the financial statements.

	Group			
	Goodwill RM'000	Licences RM'000	Others[1] RM'000	Total RM'000
Net book value				
At 1 January 2022	13,932,546	6,347,719	1,442,422	21,722,687
Acquisition of a subsidiary	1,407,411	-	572,080	1,979,491
Additions[2]	-	158,035	162,307	320,342
Amortisation	-	(717,538)	(270,280)	(987,818)
Impairment	(4,152,772)	-	-	(4,152,772)
Disposals	-	-	(2,357)	(2,357)
Write-off	-	-	(145)	(145)
Disposal of a group of subsidiaries	(4,046,405)	(616,459)	(7,100)	(4,669,964)
Currency translation differences	(358,172)	(397,508)	(11,634)	(767,314)
At 31 December 2022	6,782,608	4,774,249	1,885,293	13,442,150
Cost	11,153,299	9,213,962	3,242,285	23,609,546
Accumulated amortisation	-	(4,439,713)	(1,352,593)	(5,792,306)
Accumulated impairment losses	(4,370,691)	-	(4,399)	(4,375,090)
At 31 December 2022	6,782,608	4,774,249	1,885,293	13,442,150

[1] Others mainly relate to customer contracts and related customer relationships, other licences, software and brands.

[2] Additions in licences include telecommunication licences of a subsidiary of BDT20,576.5 million (RM860.0 million) (2022: BDT2,715.9 million (RM131.8 million)).

24. INTANGIBLE ASSETS (CONTINUED)

The remaining amortisation period of acquired telecommunication licences with allocated spectrum rights which are individually material range from three (3) years to twenty (20) years (2022: two (2) years to twenty-one (21) years).

The carrying amount of telecommunication licences of a subsidiary which belongs to Indonesia CGU having an indefinite useful life amounted to RM1,702.3 million (2022: RM1,610.9 million).

In the previous financial year, net book value of intangible assets of certain subsidiaries amounting to RM41.9 million were pledged as security for borrowings as disclosed in Note 16(a) to the financial statements.

Impairment tests for goodwill

The Group undertakes periodic test for impairment of its goodwill allocated to the CGUs identified according to operating segment.

The goodwill of the Group based on segments is as follows:

		2023 RM'000	2022 RM'000
Mobile segment:			
- Indonesia	(a)	**3,796,024**	3,685,374
- Sri Lanka	(b)	**77,472**	68,193
- Cambodia	(c)	**230,639**	220,590
- Nepal	(d)	**-**	-
Infrastructure segment	(e)	**1,248,773**	1,437,764
Fixed broadband segment	(f)	**1,304,422**	1,234,386
Others		**169,016**	136,301
		6,826,346	6,782,608

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 three of the fair value hierarchy.

Notes to the Financial Statements For the financial year ended 31 December 2023

24. INTANGIBLE ASSETS (CONTINUED)

Impairment tests for goodwill (continued)

Assumptions used (continued)

(a) Mobile segment – Indonesia

The recoverable amount of Indonesia CGU was determined using FVLCTS (2022: VIU) calculation based on cash flows projection covering a five (5) year period.

The following assumptions have been applied in the calculation:

	2023 (%)	2022 (%)
Revenue growth rates	**5.4 - 9.9**	4.6 - 7.5^
EBITDA margins	**52.1 - 54.8**	49.5 - 52.5^
Capex to revenue ratios	**18.2 - 22.0**	18.5 - 25.1^
Terminal growth rate	**3.0**	3.0^
Discount rate	**10.5**&	12.7* and ^

& Post-tax adjusted discount rate applied to the post-tax cash flow forecasts.

* 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.

^ Key assumptions applied in the impairment assessment are those to which the recoverable amount is most sensitive.

Based on the assessment performed during the 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. The Group has considered improving economic outlook in Indonesia and its impact to key assumptions in the expected cash flows.

In the previous financial year, the Group recorded an impairment loss on goodwill of RM1,479.6 million. The recoverable amount of the Indonesia CGU was RM13,286.3 million and was derived from future cash flows generated by the underlying assets in the Indonesia CGU including 100% of goodwill attributable to the Indonesia CGU. As the Group recognised goodwill based on partial goodwill method, no impairment loss was allocated to NCI. The impairment loss recognised with respect to Indonesia CGU was attributable to slower economic growth expected in Indonesia. Indonesia's central bank had raised its benchmark interest rates in the second half of 2022 for the first time since 2018 amid concerns over rising inflation rates and aggressive tightening by the US Federal Reserve and neighbouring central banks. As a result, in the previous financial year, management expected revenue growth to be negatively impacted and reflected these assumptions in the expected cash flows.

In the previous financial year, 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 were as follows:

- If the revenue growth rates were to decrease by 1% annually, assuming all else remained constant, an additional impairment of RM1,487.6 million would result.
- If the EBITDA margins were to decrease by 1% annually, assuming all else remained constant, an additional impairment of RM697.4 million would result.
- If the capex to revenue ratios were to increase by 1% annually, assuming all else remained constant, an additional impairment of RM753.6 million would result.
- If the terminal growth rate decreases from 3.0% to 2.5% assuming all else remained constant, an additional impairment of RM550.9 million would result.
- If the discount rate increases from 12.7% to 13.7% assuming all else remained constant, an additional impairment of RM881.9 million would result.

24. INTANGIBLE ASSETS (CONTINUED)

Impairment tests for goodwill (continued)

Assumptions used (continued)

(b) Mobile segment – Sri Lanka

The following CGUs for which the management monitors the goodwill of Sri Lanka mobile segment and its related calculations used in determining each CGU's recoverable amount are as follows:

	2023 RM'000	2022 RM'000
Fixed telephony and broadband	**50,606**	42,729
Others	**26,866**	25,464
	77,472	68,193

The recoverable amounts of the fixed telephony and broadband and television CGU were determined using VIU calculations based on cash flows projections covering a four (4) year period.

The following assumptions have been applied in the calculations:

	Fixed telephony and broadband		Television
	2023 (%)	2022 (%)	2022 (%)
Revenue growth rates	**5.5 - 23.7**	2.8 - 9.8^	3.2 - 5.3
EBITDA margins	**41.2 - 43.5**	53.3 - 57.7^	13.1 - 23.8
Capex to revenue ratios	**11.7 - 13.5**	30.0 - 59.8^	17.4 - 22.8
Terminal growth rate	**3.0**	3.0^	3.0
Discount rate* and #	**13.9**	15.9^	17.4

* Pre-tax discount rates applied to the cash flow forecasts were derived from the pre-tax cash flows at the date of assessment of the respective CGUs that reflect the risk of the CGUs.

Due to the macroeconomic situation in Sri Lanka and uncertainties in market outlook, management has adopted a multi-stage approach in discounting the cash flows. Multiple discount rates, considering the current situation, the recovery period and the normalised period, were applied to arrive to a single-stage discount rate as disclosed.

^ Key assumptions applied in the impairment assessment are those to which the recoverable amount is most sensitive.

Based on the assessment performed during the financial year, goodwill allocated to the fixed telephony and broadband CGUs 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 Sri Lanka CGUs to exceed its recoverable amount.

After Sri Lanka secured the much-awaited International Monetary Fund Extended Fund Facility Agreement, the Central Bank of Sri Lanka introduced the Domestic Debt Optimisation plan to address uncertainties related to the sovereign's debt restructuring programme. Although the implementation of the reforms and debt restructuring would be challenging, the successful completion would set Sri Lanka on a sustainable growth path. The Group has factored the favourable movements in macro indicators including strengthening of the LKR against USD, moderation in inflation and lowering of interest rates in the expected cash flows.

In the previous financial year, the Group recorded an impairment loss on goodwill of RM74.2 million in respect of the fixed telephony and broadband and television CGUs. The recoverable amounts of the fixed telephony and broadband and television CGUs were RM411.2 million and RM23.8 million respectively. The recoverable amounts were derived from future cash flows generated by the underlying assets in the respective Sri Lanka CGUs.

The impairment losses recognised with respect to fixed telephony and broadband and television CGUs were attributable to the macroeconomic and political crisis faced in Sri Lanka which resulted in rising inflation rates, upward revision of interest rates, US Dollar liquidity shortage and uncertainties in the market outlook in the previous financial year.

Notes to the Financial Statements For the financial year ended 31 December 2023

24. INTANGIBLE ASSETS (CONTINUED)

Impairment tests for goodwill (continued)

Assumptions used (continued)

(b) Mobile segment – Sri Lanka (continued)

Management's assessment in the previous financial year 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 were as follows:

- If the revenue growth rates were to decrease by 1% annually, assuming all else remained constant, an additional impairment of RM18.2 million would result.
- If the EBITDA margins were to decrease by 1% annually, assuming all else remained constant, an additional impairment of RM21.6 million would result.
- If the capex to revenue ratios were to increase by 1% annually, assuming all else remained constant, an additional impairment of RM22.8 million would result.
- If the terminal growth rate decreases from 3.0% to 2.5% assuming all else remained constant, an additional impairment of RM19.6 million would result.
- If the discount rate increases from 15.9% to 16.9% assuming all else remained constant, an additional impairment of RM30.3 million would result.

(c) Mobile segment – Cambodia

The recoverable amount of Cambodia CGU was determined using VIU calculation based on cash flows projection covering a three (3) year period.

The following assumptions have been applied in the calculation:

	2023 (%)	2022 (%)
Revenue growth rates	**7.8 - 10.5**	1.5 - 6.4
EBITDA margins	**51.6 - 53.0**	49.3 - 50.9
Capex to revenue ratios	**16.1 - 20.1**	18.0 - 20.2
Terminal growth rate	**2.0**	2.0
Discount rate*	**16.5**	16.5

* 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.

(d) Mobile segment – Nepal

During the financial year, the Group has disposed its Nepal CGU as disclosed in Note 5(a)(i) to the financial statements.

In the previous financial year, the recoverable amount of Nepal CGU was determined using FVLCTS calculation based on cash flows projection covering a five (5) year period. Cash flows beyond the fifth (5^{th}) year are extrapolated into perpetuity.

Notes to the Financial Statements For the financial year ended 31 December 2023

24. INTANGIBLE ASSETS (CONTINUED)

Impairment tests for goodwill (continued)

Assumptions used (continued)

(d) Mobile segment – Nepal (continued)

The following assumptions have been applied in the calculation:

	2022 (%)
Revenue growth rates^	1.4 - 3.0
EBITDA margins^	53.6 - 53.9
Capex to revenue ratios^	16.9 - 19.0
Terminal growth rate^	2.0
Discount rate^	15.0

^ Key assumptions applied in the impairment assessment are those to which the recoverable amount is most sensitive.

In accordance with Section 33 of the Telecommunications Act 2053 (1997) ("Telco Act 2053") in Nepal, a telecommunications operator with more than fifty percent (50%) of Foreign Direct Investment has to handover its entire assets (land, building, plant, equipment and other structures related to the telecommunications service) to the Government of Nepal once the maximum licence period of twenty-five (25) years has expired, in which a buyback of these assets can take place. The Nepal CGU will reach this period in 2029. However, the Telco Act 2053 is silent on the process for the handover or buyback and the cost of buyback.

In the previous financial year, the Group considered the above to be a form of licence renewal which would be subject to negotiations with the Government of Nepal. Given the Group's existing interaction with the Government of Nepal, the significant size and scale of the Nepal operations, and its continued commitment to invest for the long term, management had assumed the licence allocated to the Nepal CGU would be extended in perpetuity as it was expected that the Group would be able to negotiate an extension or appropriate buyback mechanism with the Government of Nepal. Hence, management assumed that the cost of buyback was nil in 2029.

Ncell had been paying licence fees to the Government of Nepal annually since 2004. As such, management had estimated that the licence fee allocated to the Nepal CGU would continue to be paid annually into perpetuity and had included an annual licence fee with a long term terminal growth in their impairment assessment.

In the previous financial year, the Group recorded an impairment loss on goodwill of RM2,599.0 million. The recoverable amount of Nepal CGU was RM1,707.9 million and was derived from future cash flows generated by the underlying assets in Nepal CGU including 100% of goodwill attributable to the Nepal CGU.

The impairment loss recognised with respect to Nepal CGU was attributable to the challenging economic and regulatory condition in Nepal. In addition, pre-existing business challenges, stiff competition landscape and weak economic conditions in Nepal continue to persist.

In the previous financial year, 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 were as follows:

- If the telecommunication licence was not renewed in 2029 and discounted cash flows were projected only until 2029 and not in perpetuity, assuming all else remained constant, there would be an additional impairment of RM694.9 million on the carrying amount of other assets within the CGU.

  Other reasonably possible change to key assumptions would result in further impairment charge against the carrying amount of other assets within the CGU were as follows:

- If the revenue growth rates were to decrease by 1% annually, assuming all else remained constant, there would be an additional impairment of RM97.5 million.

- If the EBITDA margins were to decrease by 1% annually, assuming all else remained constant, there would be an additional impairment of RM31.1 million.

- If the capex to revenue ratios were to increase by 1%, assuming all else remains constant, there would be an additional impairment of RM43.1 million.

- If the terminal growth rate decreases from 2.0% to 1.5% assuming all else remains constant, there would be an additional impairment of RM11.3 million.

- If the discount rate increases from 15.0% to 15.5% assuming all else remains constant, there would be an additional impairment of RM26.6 million.

Notes to the Financial Statements For the financial year ended 31 December 2023

24. INTANGIBLE ASSETS (CONTINUED)

Impairment tests for goodwill (continued)

Assumptions used (continued)

(e) Infrastructure segment

The following CGUs for which management monitors the goodwill of the infrastructure segment and its related calculations used in determining each CGU's recoverable amount are as follows:

	2023 RM'000	2022 RM'000
Malaysia[1]	**1,210,936**	1,210,936
Pakistan	**37,837**	92,317
Myanmar	**-**	134,511
	1,248,773	1,437,764

[1] Malaysia consists of two CGUs being Tanjung Digital Sdn Bhd Group and Touch Mindscape Group with goodwill amounting to RM39.2 million (2022: RM39.2 million) and RM1,171.8 million (2022: RM1,171.8 million) respectively.

The recoverable amounts of all CGUs in infrastructure segment were determined using FVLCTS calculations. Estimates with regard to demand and supply in the tower infrastructure market have been assessed by an external consultant.

The following assumptions have been applied in the calculations:

	Malaysia	Pakistan	Myanmar
2023			
Number of projection year[1]	**15**	**15**	**15**
Post-tax adjusted discount rate (%)	**8.0 - 8.5**	**22.5 - 23.0^**	**22.5 - 23.5^**
Terminal growth rate (%)	**2.5**	**5.0**	**2.0^**
Discount for lack of marketability (%)	**-**	**-**	**66.0^**
EBITDA margins (%)	**59.3 - 79.8**	**70.5 - 88.4^**	**83.9 - 85.3^**
Colocation ratio average	**2.77x**	**2.07x**	**1.93x**
2022			
Number of projection year[1]	10 to 15	15	15
Post-tax adjusted discount rate (%)	7.3^	18.0^	18.0
Terminal growth rate (%)	2.5	5.5	5.0
EBITDA margins (%)	69.0 - 79.7^	62.8 - 87.2^	79.1 - 89.4
Colocation ratio average	2.61x	2.07x	2.49x

[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.

Notes to the Financial Statements For the financial year ended 31 December 2023

24. INTANGIBLE ASSETS (CONTINUED)

Impairment tests for goodwill (continued)

Assumptions used (continued)

(e) Infrastructure segment (continued)

Based on the assessment performed,

(i) goodwill allocated to the Malaysia CGU was not impaired during the financial year 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 Malaysia CGU exceed its recoverable amount.

In the previous financial year, based on the sensitivity analysis performed and assuming all else remained constant, the effects of movement in the key assumptions to the recoverable amount was as follows:

- If the EBITDA margins were to decrease by 2% annually and if the discount rate increases from 7.25% to 7.75% assuming all else remained constant, there would be an impairment of RM23.0 million.

(ii) the Group recorded an impairment loss on goodwill in respect of Pakistan CGU of RM40.5 million during the financial year. The recoverable amount of Pakistan CGU was RM418.0 million. The recoverable amount was derived from future cash flows generated by the underlying assets in the CGU.

The impairment loss recognised with respect to Pakistan CGU was attributable to the worsening economic conditions and its applicable effect to the post-tax adjusted discount rate.

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 is as follows:

- If the EBITDA margins were to decrease by 2% annually and if the discount rate increases from 22.8% to 23.3% (2022: 18.0% to 18.5%) assuming all else remained constant, there would be an impairment of RM70.6 million (2022: RM8.6 million).

(iii) the Group recorded total impairment loss of RM887.9 million which comprising of impairment on goodwill of RM140.6 million, PPE of RM380.4 million, customer contracts of RM263.9 million and ROU assets of RM103.0 million in respect of Myanmar CGU during the financial year. The recoverable amount of Myanmar CGU was RM291.9 million after considering the following:

- future cash flows generated by the underlying assets in the CGU, factoring the worsening macroenomic conditions in Myanmar;
- included cost to sell based on estimated transaction value and duration of services; and
- included a discount for lack of marketability which is benchmarked against discounts of other Myanmar businesses in similar recent transactions following the Group's intention to exit Myanmar as disclosed in Note 37 to the financial statements.

The recoverable amount of Myanmar CGU is aligned with the estimated enterprise value of the expected transaction bid price.

Notes to the Financial Statements For the financial year ended 31 December 2023

24. INTANGIBLE ASSETS (CONTINUED)

Impairment tests for goodwill (continued)

Assumptions used (continued)

(f) Fixed broadband segment

The recoverable amount of fixed broadband CGU is determined using FVLCTS (2022: VIU) calculation based on cash flows projections covering a ten (10) (2022: five (5)) year period.

The Group revised its business plan to deploy additional HomePasses ("HP") to increase its broadband market share in Indonesia, which requires significant capital expenditure in the initial years. Accordingly, management has increased the projection period from 5 years to 10 years to take into consideration the duration of the construction and roll out of the HP and the longer gestation period for the fixed broadband CGU to achieve the expected penetration rate and generate cash flows.

The following assumptions have been applied in the calculation:

	2023 (%)	2022 (%)
Revenue growth rates	7.2 - 20.5	7.8 - 8.9
EBITDA margins	45.2 - 52.4	56.2 - 57.4
Capex to revenue ratios	16.8 - 116.3	30.0 - 47.3
Terminal growth rate	4.0	4.0
Discount rate	10.5[&]	12.3*

& Post-tax adjusted discount rate applied to the post-tax cash flow forecasts.

* Pre-tax discount rate applied to the cash flow forecasts was derived from the pre-tax cash flows at the date of assessment reflects the risk of the CGU.

Based on the assessment above, goodwill allocated to the fixed broadband 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 fixed broadband CGU to exceed its recoverable amount.

25. CONTRACT COST ASSETS

		Group					
		2023			2022		
	Note	Contract acquisition cost RM'000	Contract fulfillment cost RM'000	Total RM'000	Contract acquisition cost RM'000	Contract fulfillment cost RM'000	Total RM'000
At 1 January		**64,262**	**73,948**	**138,210**	101,989	130,530	232,519
Additions		**95,752**	**79,541**	**175,293**	78,021	47,001	125,022
Amortisation	7(a)	**(93,868)**	**(32,895)**	**(126,763)**	(50,153)	(58,195)	(108,348)
Disposal of a group of subsidiaries		**-**	**-**	**-**	(32,522)	-	(32,522)
Currency translation differences		**9,077**	**13,086**	**22,163**	(33,073)	(45,388)	(78,461)
At 31 December		**75,223**	**133,680**	**208,903**	64,262	73,948	138,210

Contract acquisition cost comprise mainly of sales commission paid to dealers. Contract fulfillment cost comprise mainly of set-top boxes and routers. The contract cost assets are expected to be amortised over twenty-three (23) to forty-two (42) months (2022: twenty-three (23) to forty-two (42) months).

Notes to the Financial Statements For the financial year ended 31 December 2023

26. PROPERTY, PLANT AND EQUIPMENT

	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
Group								
Net book value								
At 1 January 2023		54,513	204,062	23,330,249	307,549	736,918	2,567,684	27,200,975
Additions		912	39,208	4,859,011	160,483	304,396	400,986	5,764,996
Inter-classification		-	257	990,608	68	3,933	(994,866)	-
Acquisition of subsidiaries		-	-	-	454	-	-	454
Disposal of a group of subsidiaries		(33,403)	(22,544)	(425,473)	(24,969)	(23,273)	(42,936)	(572,598)
Disposals		-	(381)	(12,793)	(488)	(92,600)	(396)	(106,658)
Write-off		-	-	(11,464)	(120)	(1)	(2,469)	(14,054)
Depreciation		-	(32,756)	(4,103,435)	(140,119)	(356,460)	-	(4,632,770)
Impairment	(c)	-	-	(1,202,746)	(2,083)	(1,124)	(29,058)	(1,235,011)
Reversal of impairment		-	-	6,849	-	-	-	6,849
Reclassified to assets classified as held for sale	37	-	-	(57,307)	(48)	(71)	(40,516)	(97,942)
Reclassification		-	5,266	20,551	(13)	(77,605)	-	(51,801)
Currency translation differences		3,073	16,488	988,034	14,379	30,639	124,730	1,177,343
At 31 December 2023		25,095	209,600	24,382,084	315,093	524,752	1,983,159	27,439,783

Notes to the Financial Statements For the financial year ended 31 December 2023

26. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	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
Group							
Net book value							
At 1 January 2022	70,027	149,883	23,320,952	212,129	1,087,739	2,134,558	26,975,288
Additions	-	17,630	8,031,890	67,668	317,052	1,025,280	9,459,520
Inter-classification	-	718	676,564	(5,354)	59,872	(731,800)	-
Acquisition of subsidiaries	411	126,725	1,592,468	219,422	6,505	524,548	2,470,079
Disposal of a group of subsidiaries	(6,176)	(33,350)	(4,196,241)	(74,547)	(100,441)	(128,316)	(4,539,071)
Disposals	-	(346)	(22,874)	(1,031)	(121)	(1,500)	(25,872)
Write-off	-	-	(15,124)	(279)	(75)	(4,557)	(20,035)
Depreciation	-	(24,279)	(4,178,575)	(101,283)	(610,537)	-	(4,914,674)
Impairment	-	-	(102,684)	(1,234)	(760)	(12,651)	(117,329)
Reclassified to assets classified as held for sale	-	-	16,649	842	-	-	17,491
Currency translation differences	(9,749)	(32,919)	(1,792,776)	(8,784)	(22,316)	(237,878)	(2,104,422)
At 31 December 2022	54,513	204,062	23,330,249	307,549	736,918	2,567,684	27,200,975

Notes to the Financial Statements For the financial year ended 31 December 2023

26. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	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
Group							
Cost	**25,095**	**445,380**	**60,920,771**	**1,318,117**	**3,497,009**	**2,032,811**	**68,239,183**
Accumulated depreciation	**-**	**(235,780)**	**(36,392,419)**	**(995,639)**	**(2,964,328)**	**-**	**(40,588,166)**
Accumulated impairment losses	**-**	**-**	**(146,268)**	**(7,385)**	**(7,929)**	**(49,652)**	**(211,234)**
At 31 December 2023	**25,095**	**209,600**	**24,382,084**	**315,093**	**524,752**	**1,983,159**	**27,439,783**
Cost	54,513	430,554	58,042,126	1,274,067	3,664,033	2,594,057	66,059,350
Accumulated depreciation	-	(226,492)	(34,599,364)	(961,103)	(2,919,847)	-	(38,706,806)
Accumulated impairment losses	-	-	(112,513)	(5,415)	(7,268)	(26,373)	(151,569)
At 31 December 2022	54,513	204,062	23,330,249	307,549	736,918	2,567,684	27,200,975

Notes to the Financial Statements For the financial year ended 31 December 2023

26. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Net book value of PPE of certain subsidiaries pledged as security for borrowings as disclosed in Note 16(a) to the financial statements are as follows:

	Group	
	2023 RM'000	**2022 RM'000**
Land	**-**	31,696
Buildings	**-**	22,124
Telecommunication network equipment	**3,018,458**	3,612,058
Movable plant and equipment	**-**	26,672
Computer support systems	**-**	26,133
Capital work-in-progress	**-**	79,101
Total	**3,018,458**	3,797,784

(b) During the financial year, net book value of telecommunication network equipment subject to operating lease of the Group is RM6,222.7 million (2022: RM6,045.7 million).

(c) The impairment during the financial year mainly comprises impairment of assets of Nepal CGU and Myanmar CGU as disclosed in Note 5(a)(i) and Note 24(e)(iii) to the financial statements.

(d) During the financial year, EDOTCO Group (infrastructure segment) performed an impairment assessment on the PPE of Philippines CGU. The recoverable amount of Philippines CGU is determined using FVLCTS based on cash flows projections covering a fifteen (15) year period.

The following assumptions have been applied in the calculation:

	2023
Post-tax adjusted discount rate (%)	**11.0**
Terminal growth rate (%)	**5.0**
EBITDA margins (%)	**72.4 - 86.1**
Colocation ratio average	**1.61x**

Based on the assessment above, the PPE was not impaired as the recoverable amount exceeded the carrying amount.

Management's assessment included an impact assessment of changes in assumptions. Based on the sensitivity analysis performed and assuming all else remained constant, the Group concluded that no reasonable change in the base case assumptions would cause the carrying amount of Philippines CGU to exceed its recoverable amount.

Notes to the Financial Statements For the financial year ended 31 December 2023

26. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Office equipment RM'000	Furniture and fitting RM'000	Motor vehicle RM'000	Capital work-in-progress RM'000	Total RM'000
Company						
Net book value						
At 1 January 2023		**7,481**	**3,148**	**246**	**5,994**	**16,869**
Additions		**210**	**97**	**-**	**1,627**	**1,934**
Disposals		**(7)**	**-**	**-**	**-**	**(7)**
Impairment		**(662)**	**(368)**	**-**	**(4,352)**	**(5,382)**
Depreciation	7(a)	**(3,455)**	**(1,234)**	**(57)**	**-**	**(4,746)**
At 31 December 2023		**3,567**	**1,643**	**189**	**3,269**	**8,668**
At 1 January 2022		9,804	3,671	-	3,931	17,406
Additions		1,210	874	286	2,328	4,698
Inter-classification		265	-	-	(265)	-
Disposals		(4)	-	-	-	(4)
Write-off		(7)	-	-	-	(7)
Depreciation	7(a)	(3,787)	(1,397)	(40)	-	(5,224)
At 31 December 2022		7,481	3,148	246	5,994	16,869
Cost		**34,463**	**14,898**	**951**	**7,621**	**57,933**
Accumulated depreciation		**(30,234)**	**(12,887)**	**(762)**	**-**	**(43,883)**
Accumulated impairment losses		**(662)**	**(368)**	**-**	**(4,352)**	**(5,382)**
At 31 December 2023		**3,567**	**1,643**	**189**	**3,269**	**8,668**
Cost		34,287	14,801	951	5,994	56,033
Accumulated depreciation		(26,806)	(11,653)	(705)	-	(39,164)
At 31 December 2022		7,481	3,148	246	5,994	16,869

Notes to the Financial Statements For the financial year ended 31 December 2023

27. RIGHT-OF-USE ASSETS

		Land RM'000	Buildings RM'000	Telecommunication network sites and equipment RM'000	Others RM'000	Total RM'000
Group						
Net book value						
At 1 January 2023		**1,432,778**	**185,447**	**7,589,440**	**106,117**	**9,313,782**
Additions		**288,310**	**126,796**	**2,795,701**	**666**	**3,211,473**
Disposal of a group of subsidiaries		**-**	**(33,765)**	**(12,085)**	**(980)**	**(46,830)**
Disposal/Termination		**(473)**	**(1,365)**	**(185)**	**(43)**	**(2,066)**
Depreciation		**(336,447)**	**(66,418)**	**(1,449,433)**	**(22,524)**	**(1,874,822)**
Impairment	(a)	**(101,672)**	**(1,372)**	**(62,820)**	**(1)**	**(165,865)**
Remeasurement		**43,845**	**(125)**	**-**	**290**	**44,010**
Modification		**16,439**	**3,179**	**9,639**	**389**	**29,646**
Reclassified to assets classified as held for sale	37	**(15,601)**	**(211)**	**-**	**-**	**(15,812)**
Reclassification		**-**	**-**	**(24,265)**	**-**	**(24,265)**
Currency translation differences		**26,199**	**8,360**	**432,928**	**5,734**	**473,221**
At 31 December 2023		**1,353,378**	**220,526**	**9,278,920**	**89,648**	**10,942,472**
At 1 January 2022		1,300,938	557,740	7,114,807	9,728	8,983,213
Additions		467,530	51,124	2,712,455	148,344	3,379,453
Acquisition of subsidiaries		-	4,978	182,887	2,038	189,903
Disposal of a group of subsidiaries		(25,625)	(330,849)	(806,195)	(450)	(1,163,119)
Disposal/Termination		(116)	(1,405)	(1,906)	-	(3,427)
Depreciation		(307,647)	(76,535)	(1,465,126)	(53,421)	(1,902,729)
Remeasurement		66,244	(2,509)	(1)	-	63,734
Modification		6,430	(2,074)	30,872	466	35,694
Reclassified to assets classified as held for sale		1,924	-	1,047	(528)	2,443
Currency translation differences		(76,900)	(15,023)	(179,399)	(61)	(271,383)
At 31 December 2022		1,432,778	185,447	7,589,441	106,116	9,313,782

(a) The impairment during the financial year mainly comprise impairment of assets of Nepal CGU and Myanmar CGU, as disclosed in Note 5(a)(i) and Note 24(e)(iii) to the financial statements.

Notes to the Financial Statements For the financial year ended 31 December 2023

27. RIGHT-OF-USE ASSETS (CONTINUED)

		Company	
	Note	2023 RM'000	2022 RM'000
Buildings (net book value)			
At 1 January		**1,759**	10,260
Addition		**-**	1,085
Depreciation	7(a)	**(1,759)**	(4,104)
Modification		**-**	(5,482)
At 31 December		**-**	1,759

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		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Short-term leases	**70,762**	100,523	**-**	-
Low value assets	**38,828**	9,415	**-**	1,951
Variable lease payments	**6,582**	6,228	**-**	-

The Group is also exposed to potential future cash outflow on variable lease payments totaling RM11.1 million (2022: RM25.8 million), which are not included as lease liability until the event or condition that triggers those payments occur. Variable lease payments are in relation to the number of equipment installed on network sites.

Notes to the Financial Statements For the financial year ended 31 December 2023

28. SUBSIDIARIES

	Note	2023 Malaysia RM'000	2023 Overseas RM'000	2023 Total RM'000	2022 Malaysia RM'000	2022 Overseas RM'000	2022 Total RM'000
Company							
Unquoted shares, at cost	(a)	**10,418,645**	**5,430,964**	**15,849,609**	10,283,483	6,143,543	16,427,026
Accumulated impairment losses	(b)	**(456,758)**	**(5,210,988)**	**(5,667,746)**	(371,003)	(4,400,575)	(4,771,578)
Net cost of investments in subsidiaries		**9,961,887**	**219,976**	**10,181,863**	9,912,480	1,742,968	11,655,448
Quasi-investments		**5,386,224**	**-**	**5,386,224**	5,521,880	-	5,521,880
Accumulated impairment losses		**(383,275)**	**-**	**(383,275)**	(383,275)	-	(383,275)
Net quasi-investments		**5,002,949**	**-**	**5,002,949**	5,138,605	-	5,138,605
Total		**14,964,836**	**219,976**	**15,184,812**	15,051,085	1,742,968	16,794,053

28. SUBSIDIARIES (CONTINUED)

The Group's and the Company's ownership interests in subsidiaries, their respective principal activities and countries of incorporation are listed in Note 41 to the financial statements.

(a) The movement of the unquoted shares and quasi-investments during the financial year is as follows:

i) The Company had subscribed additional shares of RM135.2 million in a subsidiary by converting RM130.7 million of quasi-investments and RM4.5 million of amount due from a subsidiary.

ii) The Company had received a waiver of an amount due to a subsidiary amounting to RM769.9 million, resulting in a reduction in cost of investment in the subsidiary. The substance of the waiver is a distribution from the subsidiary to the Company via return of capital to the shareholders as disclosed in Note 33(a) to the financial statements.

(b) Impairment tests for cost of investments in subsidiaries

The Company performed impairment assessments of its costs 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 AIUK

During the financial year, the Company recorded an impairment loss on its investment in AIUK of RM810.4 million following the disposal of Reynolds Group as disclosed in Note 5(a)(i) to the financial statements. The recoverable amount for AIUK was determined based on net assets of AIUK as at reporting date.

In the previous financial year, the Company determined the recoverable amount for AIUK using FVLCTS calculations, which applied a discounted cash flow model of Nepal mobile business segment based on market participants' view covering a five (5) year period as disclosed in Note 24(d) to the financial statements, adjusted for net debt and debt-like items. The deposits paid to avoid possible penalties in relation to an ongoing arbitration had been included in the FVLCTS calculations.

The assumptions that had been applied in the FVLCTS calculations based on market's participants' view using level 3 of the fair value hierarchy were as follows:

	2022 (%)
Revenue growth rates^	1.4 - 3.0
EBITDA margins^	53.6 - 53.9
Capex to revenue ratios^	16.9 - 19.0
Terminal growth rate^	2.0
Discount rate^	15.0

^ Key assumptions applied in the impairment assessment are those to which the recoverable amount was most sensitive.

Notes to the Financial Statements For the financial year ended 31 December 2023

28. SUBSIDIARIES (CONTINUED)

(b) Impairment tests for cost of investments in subsidiaries (continued)

i) Impairment assessment for AIUK (continued)

Management's assessment in the previous financial year 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 were as follows:

- If the telecommunication licence was not renewed in 2029 and discounted cash flows were projected only until 2029 and not in perpetuity, assuming all else remained constant, an additional impairment of RM1,017.6 million would result.
- If the revenue growth rates were to decrease by 1% annually, assuming all else remained constant, an additional impairment of RM128.4 million would result.
- If the EBITDA margins were to decrease by 1% annually, assuming all else remained constant, an additional impairment of RM62.1 million would result.
- If the capex to revenue ratios were to increase by 1% annually, assuming all else remained constant, an additional impairment of RM74.0 million would result.
- If the terminal growth rate was to decrease from 2.0% to 1.5%, assuming all else remained constant, an additional impairment of RM42.3 million would result.
- If the discount rate was to increase from 15.0% to 15.5%, assuming all else remained constant, an additional impairment of RM57.5 million would result.

ii) Impairment assessment for Axiata Investments (Singapore) Limited ("AIS")

During the financial year, the Company recorded an impairment loss of RM85.8 million (2022: RM47.0 million) on its cost of investment in AIS. The underlying asset of AIS comprise investment in Pegasus 7 Ventures Pte Ltd. The recoverable amount of AIS of RM84.3 million (RM170.0 million) was determined based on FVLCTS, which is the present value of future cash flows, classified as level 3.

(c) NCI

The total NCI of the Group as at reporting date is RM6,171.2 million (2022: RM6,745.3 million), of which the subsidiaries that have material NCI to the Group are:

- RM2,651.1 million (2022: RM2,434.5 million) is attributable to XL;
- RM1,027.9 million (2022: RM1,059.7 million) is attributable to Robi; and
- RM1,440.2 million (2022: RM1,802.9 million) is attributable to EDOTCO Group.

The remaining NCI of the Group are individually immaterial.

Notes to the Financial Statements For the financial year ended 31 December 2023

28. SUBSIDIARIES (CONTINUED)

(c) NCI (continued)

The financial information (before inter-company eliminations and after consolidation adjustments) of the segments that have material NCI to the Group are as follows:

(i) The summarised statement of comprehensive income for the financial year ended 31 December

	EDOTCO Group						XL		Robi	
	2023			2022			2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total				
(Loss)/Profit for the financial year	**(175,505)**	**(796,924)**	**(972,429)**	96,502	94,867	191,369	**393,202**	332,758	**126,305**	120,072
OCI	**(109,490)**	**171,351**	**61,861**	(1,044)	(210,974)	(212,018)	**406,190**	(214,063)	**(55,729)**	(378,022)
Total comprehensive (expense)/ income	**(284,995)**	**(625,573)**	**(910,568)**	95,458	(116,107)	(20,649)	**799,392**	118,695	**70,576**	(257,950)
(Loss)/Profit for the financial year attributable to NCI	**(22,161)**	**(360,362)**	**(382,523)**	76,103	40,528	116,631	**134,257**	130,316	**48,224**	48,603
Dividend paid to NCI	**200**	**-**	**200**	22,601	-	22,601	**55,673**	62,657	**58,870**	20,119

28. SUBSIDIARIES (CONTINUED)

(c) NCI (continued)

The financial information (before inter-company eliminations and after consolidation adjustments) of the segments that have material NCI to the Group are as follows: (continued)

(ii) The summarised statement of financial position as at 31 December

	EDOTCO Group		XL		Robi	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current assets	**9,789,941**	9,956,427	**23,818,590**	21,500,205	**8,411,299**	7,750,356
Current assets	**2,793,226**	2,482,916	**2,220,050**	3,010,899	**643,352**	601,174
Non-current liabilities	**(7,330,150)**	(5,393,586)	**(12,243,350)**	(9,920,084)	**(3,177,030)**	(2,581,513)
Current liabilities	**(2,218,387)**	(3,099,526)	**(5,964,924)**	(7,394,818)	**(3,114,798)**	(2,923,767)
Net assets	**3,034,630**	3,946,231	**7,830,366**	7,196,202	**2,762,823**	2,846,250

28. SUBSIDIARIES (CONTINUED)

(c) NCI (continued)

The financial information (before inter-company eliminations and after consolidation adjustments) of the segments that have material NCI to the Group are as follows: (continued)

(iii) The summarised statement of cash flows as at 31 December

	EDOTCO Group		XL		Robi	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net cash flow from operating activities	**1,176,327**	1,089,586	**4,796,470**	3,977,468	**1,704,651**	1,591,585
Net cash flow used in investing activities	**(1,294,271)**	(3,577,404)	**(3,092,227)**	(3,241,721)	**(991,141)**	(1,206,814)
Net cash flow from/(used in) financing activities	**235,874**	2,554,050	**(2,960,655)**	(25,767)	**(716,891)**	(442,728)
Net increase/(decrease) in cash and cash equivalent	**117,930**	66,232	**(1,256,412)**	709,980	**(3,381)**	(57,957)
Effect of exchange rate changes on cash and cash equivalents	**(104,138)**	8,971	**82,368**	(28,725)	**(1,050)**	(28,534)
Cash and cash equivalents classified as held for sale	**(390,271)**	-	**-**	-	**-**	-
Cash and cash equivalents at beginning of financial year	**816,326**	741,123	**1,461,921**	780,666	**152,154**	238,645
Cash and cash equivalents at the end of financial year	**439,847**	816,326	**287,877**	1,461,921	**147,723**	152,154

Notes to the Financial Statements For the financial year ended 31 December 2023

29. ASSOCIATES

	2023			2022		
	Malaysia RM'000	Overseas RM'000	Total RM'000	Malaysia RM'000	Overseas RM'000	Total RM'000
Group						
Quoted investments	**15,532,517**	**-**	**15,532,517**	15,532,517	-	15,532,517
Unquoted investments	**43,997**	**117,136**	**161,133**	69,448	114,439	183,887
Share of post-acquisition results and reserves	**(10,912)**	**(20,155)**	**(31,067)**	(75,323)	(15,646)	(90,969)
	15,565,602	**96,981**	**15,662,583**	15,526,642	98,793	15,625,435
Accumulated impairment losses	**-**	**(29,077)**	**(29,077)**	-	(28,731)	(28,731)
Currency translation differences	**-**	**2,527**	**2,527**	-	187	187
Total	**15,565,602**	**70,431**	**15,636,033**	15,526,642	70,249	15,596,891
Company						
Quoted investments	**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 42 to the financial statements.

Notes to the Financial Statements For the financial year ended 31 December 2023

29. ASSOCIATES (CONTINUED)

(a) Summarised financial information of a material associate

The tables below provide summarised financial information for CelcomDigi Berhad, being the only material associate of the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associate 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 2023 and one-month financial period from 1 to 31 December 2022 are as follows:

	2023 RM'000	1.12.2022 – 31.12.2022 RM'000
Revenue	**12,682,151**	1,093,561
Profit/(Loss) for the financial year/period	**1,602,937**	(133,309)
Group's share of profit/(loss) for the financial year/period	**530,572**	(44,125)

(ii) The summarised statement of financial position for the financial year ended 31 December is as follows:

	2023 RM'000	2022 RM'000 Restated*
Non-current assets	**20,060,583**	21,045,969
Current assets	**3,415,372**	4,054,746
Current liabilities	**(7,421,662)**	(8,762,338)
Non-current liabilities	**(13,167,127)**	(13,552,517)
	2,887,166	2,785,860
Group's share in %	**33.10%**	33.10%
Group's share of net assets	**955,652**	922,120
Goodwill	**14,566,271**	14,566,271
Carrying amount	**15,521,923**	15,488,391

* Restatement due to finalisation of the merger consideration as disclosed in Note 5(b)(ii) and completion of the PPA exercise within twelve (12) months from the date of completion of merger.

(iii) The fair value as at 31 December is as follows:

	2023 RM'000	2022 RM'000
Fair value	**15,843,167**	**15,532,517**

The fair value of quoted investment is within Level 1 of the fair value hierarchy.

(b) The details of carrying amount of the associates of the Group are as follows:

	Group	
	2023 RM'000	2022 RM'000 Restated
Group's share of net assets	**1,069,762**	1,030,606
Goodwill	**14,566,271**	14,566,285
Carrying amount as at 31 December	**15,636,033**	15,596,891

(c) The Group's share of results of other individually immaterial associates is a profit of RM0.2 million (2022: loss of RM12.7 million).

Notes to the Financial Statements For the financial year ended 31 December 2023

29. ASSOCIATES (CONTINUED)

(d) Other contractual arrangements with a material associate

Pursuant to the definitive agreements entered into by the Company and Digi as disclosed in Note 5(b)(ii) to the financial statements, the Company shall indemnify Digi and shall pay Digi any losses incurred resulting out of or arising from the following litigations. Concurrently, in the event that Digi or Celcom receives any proceeds from the following litigations, Digi shall as soon as reasonably practicable, pay an amount equal to such proceeds to the Company.

Description of litigations indemnified

1. Celcom Malaysia Berhad [now known as Celcom Berhad] ("Celcom") & Celcom Resources Berhad ("Celcom Resources") vs Tan Sri Dato' Tajudin Ramli ("TSDTR") & 6 others (Conspiracy Suit)

   In 2008, Celcom and Celcom Resources initiated a claim against five (5) of its former directors, DeTe Asia Holding GmbH ("DeTe Asia"), and Beringin Murni Sdn Bhd ("Defendants") for conspiring with each other to injure Celcom and Celcom Resources by causing and/or committing them to enter into various agreements in relation to certain rights issue shares in Celcom Resources. Celcom and Celcom Resources are seeking damages for conspiracy against the Defendants.

   On 15 November 2021, Celcom and Celcom Resources reached an amicable settlement with DeTe Asia including the DeTe Asia representatives. The settlement was entered into without any admission of liability by the parties and pursuant to the above, Celcom and Celcom Resources filed their respective notice of discontinuance with no order as to costs and without liberty to file afresh against DeTe Asia and the DeTe Asia representatives.

   Two (2) of the Defendants, TSDTR and Dato' Bistamam Ramli ("DBR") filed a counterclaim against Celcom and Celcom Resources for damages for breach of an alleged global settlement involving, inter-alia, the present action and also for conspiracy and misrepresentation in inducing TSDTR to withdraw a counterclaim in another suit. Full trial of the case commenced on 22 January 2018. The potential exposure arising from the Conspiracy Suit is RM7,215.0 million.

   On 10 February 2023, the High Court had decided the suit in favour of Celcom and Celcom Resources and also dismissed TSTDR's and DBR's counterclaims in the suit with costs. Following the decision, Celcom and Celcom Resources have on 29 July 2023 entered a judgement against TSTDR and DBR in respect of the Conspiracy Suit.

   On 29 November 2023, Celcom, Celcom Resources, TSDTR and DBR reached an amicable settlement in respect of the judgements entered in both Conspiracy Suit and Indemnity Suit (as defined in Note 29(d)2 to the financial statements). There was no financial impact arising from the settlement to the Group.

2. Celcom & Celcom Resources vs TSDTR & 8 others (Indemnity Suit)

   In 2006, Celcom and Celcom Resources initiated a claim against nine (9) of its former directors ("Defendants") seeking, inter-alia, for indemnity in respect of the sums paid out to DeTe Asia under the Award dated 2 August 2005 handed down by the Tribunal of the International Court of Arbitration of the International Chamber of Commerce in Paris and damages for breach of their fiduciary duties.

   On 15 November 2021, Celcom and Celcom Resources reached an amicable settlement with DeTe Asia including the DeTe Asia representatives. The settlement was entered into without any admission of liability by the parties and pursuant to the above, Celcom and Celcom Resources filed their respective notice of discontinuance with no order as to costs and without liberty to file afresh against DeTe Asia and the DeTe Asia representatives.

   Two (2) of the Defendants, TSDTR and DBR filed a counterclaim against Celcom and Celcom Resources for damages for breach of an alleged global settlement involving, inter-alia, the present action and also for conspiracy and misrepresentation in inducing TSDTR to withdraw a counterclaim in another suit. Full trial of the case commenced on 22 January 2018. The potential exposure arising from the Indemnity Suit is RM7,215.0 million.

   On 10 February 2023, the High Court had decided the suit in favour of Celcom and Celcom Resources and also dismissed TSDTR's and DBR's counterclaims in the suit with costs. Following the decision, Celcom and Celcom Resources have on 29 July 2023 entered a judgement against TSTDR and DBR in respect of the Indemnity Suit.

   On 29 November 2023, Celcom, Celcom Resources, TSDTR and DBR reached an amicable settlement in respect of the judgements entered in both Conspiracy Suit (as defined in Note 29(d)1 to the financial statements) and Indemnity Suit. There was no financial impact arising from the settlement to the Group.

Notes to the Financial Statements For the financial year ended 31 December 2023

30. JOINT VENTURES

	Group	
	2023 RM'000	**2022 RM'000**
Unquoted investments	**40,358**	40,358
Share of post-acquisition reserves	**(23,133)**	(24,036)
Currency translation differences	**(640)**	(640)
Total	**16,585**	15,682

The Group's ownership interests in the joint ventures, their respective principal activities and countries of incorporation are listed in Note 43 to the financial statements.

The summarised financial information of a material joint venture of the Group for the financial year ended 31 December is as follows:

(i) The summarised statement of comprehensive income is as follows:

	Merchantrade	
	2023 RM'000	**2022 RM'000**
Revenue	**273,361**	207,633
Loss for the financial year	**4,753**	(21,851)
Group's share of loss for the financial year	**903**	(3,270)

(ii) The summarised statement of financial position is as follows:

	Merchantrade	
	2023 RM'000	**2022 RM'000**
Non-current assets	**97,627**	72,113
Current assets	**390,824**	337,068
Current liabilities	**(364,464)**	(295,216)
Non-current liabilities	**(10,466)**	(15,931)
	113,521	98,034

The Group's share of results of other individually immaterial joint ventures is nil (2022: loss of RM6.4 million).

31. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at FVTOCI comprise the following investments:

	Group	
	2023 RM'000	**2022 RM'000**
Unquoted securities:		
- Pegasus 7 Ventures Pte. Ltd.	**99,511**	176,346
- Others	**14,736**	2,834
Total	**114,247**	179,180

The Group has, at initial recognition, irrevocably elected to present the fair value changes of non-trading equity securities above in OCI. The Group considers this classification to be more relevant as these instruments are strategic investments of the Group and not held for trading purpose.

32. INVENTORIES

	Group	
	2023 RM'000	**2022 RM'000**
Trading inventories	**239,794**	241,698
Allowance for inventory obsolescence	**(20,905)**	(25,347)
Total	**218,889**	216,351

Inventories comprise of SIM cards, handsets, vouchers and other consumables.

Notes to the Financial Statements For the financial year ended 31 December 2023

33. AMOUNTS DUE FROM/TO SUBSIDIARIES

The carrying amount and currencies profile of the amounts due from/to subsidiaries are as follows:

	2023					2022				
	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[1]	**51,695**	**49,548**	**-**	**-**	**101,243**	31,951	486,301	-	-	518,252
- Current[2]	**339,888**	**162,280**	**25,395**	**1,634**	**529,197**	226,559	72,787	28,219	329	327,894
Total	**391,583**	**211,828**	**25,395**	**1,634**	**630,440**	258,510	559,088	28,219	329	846,146
Amounts due to subsidiaries:										
- Non-current[3]	**8,104,248**	**-**	**-**	**-**	**8,104,248**	7,941,380	-	-	-	7,941,380
- Current	**55,251**	**-**	**-**	**-**	**55,251**	966,352	138	-	-	966,490
Total	**8,159,499**	**-**	**-**	**-**	**8,159,499**	8,907,732	138	-	-	8,907,870

[1] Include amounts due from subsidiaries (non-trade) of RM51.7 million which bear interest ranging from 7.00% to 8.00% p.a. (2022: 2.75% to 8.00% p.a.) and is repayable in 2025.

[2] Include amounts due from subsidiaries (non-trade) of RM305.4 million which bear interest of 6.00% p.a. and are repayable in 2024.

[3] Include the following amounts:
- amount due to a subsidiary (non-trade) of RM4,036.0 million which bears an interest of 3.214% p.a. and is repayable on 19 August 2050; and
- amount due to a subsidiary (non-trade) amounting to RM2,018.0 million which bears an interest of 2.163% p.a. and is repayable on 19 August 2030 and RM2,018.0 million which bears an interest of 4.357% p.a. and is repayable on 24 March 2026.

The finance costs are recognised in the profit or loss as disclosed in Note 10 to the financial statements.

Except as disclosed otherwise above, amounts due from/to subsidiaries are trade in nature, unsecured, interest free and repayable on demand.

Notes to the Financial Statements For the financial year ended 31 December 2023

33. 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.

Notes to the Financial Statements For the financial year ended 31 December 2023

33. AMOUNTS DUE FROM/TO SUBSIDIARIES (CONTINUED)

Amounts due from subsidiaries (continued)

Maximum exposure to credit risk (continued)

In deriving at the PD and LGD, the Company considers the historical collection trend and expected future cash flows generated by individual subsidiaries. The Company also identified other relevant factors in relation to the geographical area that the subsidiaries operate in and adjust the loss rates based on the expected changes in these factors. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs.

Movements in provision for impairment of amounts due from subsidiaries are as follows:

	2023 RM'000	2022 RM'000
At 1 January	**232,485**	93,620
Provision for impairment	**29,510**	138,865
At 31 December	**261,995**	232,485

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
2023					
Performing	**0.0%**	**12 months ECL**	**19,168**	**-**	**19,168**
Underperforming	**29.8%**	**Lifetime ECL**	**871,297**	**(260,025)**	**611,272**
Non-performing	**100.0%**	**Lifetime ECL**	**1,970**	**(1,970)**	**-**
Total			**892,435**	**(261,995)**	**630,440**
2022					
Performing	0.0%	12 months ECL	339,673	-	339,673
Underperforming	25.9%	Lifetime ECL	683,527	(177,054)	506,473
Non-performing	100.0%	Lifetime ECL	55,431	(55,431)	-
Total			1,078,631	(232,485)	846,146

Notes to the Financial Statements For the financial year ended 31 December 2023

33. AMOUNTS DUE FROM/TO SUBSIDIARIES (CONTINUED)

Amounts due to subsidiaries

The movements in the amounts due to subsidiaries are as follows:

		Company	
	Note	2023 RM'000	2022 RM'000
At 1 January		**8,907,870**	9,293,645
Advances from subsidiaries		**111,871**	21,844
Cash repayments		**-**	(11,258)
Payment of finance costs		**(341,084)**	(319,500)
Finance costs	10	**340,918**	317,724
Waiver of amount due to a subsidiary	(a)	**(769,910)**	(345,363)
Others	(b)	**(90,166)**	(49,222)
At 31 December		**8,159,499**	8,907,870

(a) The substance of the waiver is a distribution from the subsidiary to the Company via return of capital to shareholders.

(b) Included in others are reclassifications to amounts due from subsidiaries. Amounts due to certain subsidiaries have been presented on a net basis as the Company has a legal enforceable right to offset these amounts with amounts due from certain subsidiaries. The Company currently has the intention to settle on a net basis or realise/settle the amounts due from/to subsidiaries simultaneously.

34. TRADE AND OTHER RECEIVABLES

	Note	2023 Non-current RM'000	2023 Current RM'000	2023 Total RM'000	2022 Non-current RM'000	2022 Current RM'000	2022 Total RM'000
Group							
Finance lease receivables	(a)	**-**	**20,398**	**20,398**	6,482	20,472	26,954
Accrued lease receivables	(b)	**56,378**	**-**	**56,378**	141,537	-	141,537
Prepayment		**16,114**	**1,501,099**	**1,517,213**	23,125	1,412,302	1,435,427
Contract assets	(c)	**1,295**	**141,655**	**142,950**	1,348	104,056	105,404
Trade receivables		**24,907**	**2,782,100**	**2,807,007**	20,019	2,455,953	2,475,972
Deposits[1]		**126,504**	**86,700**	**213,204**	455,627	99,505	555,132
Other receivables[2]		**533,618**	**581,943**	**1,115,561**	148,263	665,841	814,104
Advances		**169,260**	**297,367**	**466,627**	205,752	256,802	462,554
Amount due from an associate	(d)	**-**	**-**	**-**	-	2,420,414	2,420,414
Provision for impairment:	(e)						
- Accrued lease receivables		**(8,608)**	**-**	**(8,608)**	(9,594)	-	(9,594)
- Trade receivables		**(1,601)**	**(593,842)**	**(595,443)**	(1,883)	(472,655)	(474,538)
- Deposits		**(223)**	**(3,162)**	**(3,385)**	-	(7,148)	(7,148)
- Other receivables		**(5,471)**	**(29,798)**	**(35,269)**	(138,163)	(11,950)	(150,113)
Total		**912,173**	**4,784,460**	**5,696,633**	852,513	6,943,592	7,796,105

1 Includes deposits for rental and utilities as well as deposits for ongoing legal, regulatory and taxation claims and disputes amounting to RM71.3 million (2022: RM424.6 million).

2 Includes present value of non-current and current fixed consideration receivables of RM141.0 million and RM23.3 million respectively, on the disposal of Reynolds Group as disclosed in Note 5(a)(i) to the financial statements.

Notes to the Financial Statements For the financial year ended 31 December 2023

34. TRADE AND OTHER RECEIVABLES (CONTINUED)

	Note	Company 2023 RM'000	Company 2022 RM'000
Current			
Trade receivables		**77,312**	-
Prepayment		**2,783**	28,385
Deposits		**1,901**	65
Other receivables		**9,614**	14,381
Amount due from an associate	(d)	**-**	2,420,414
Advances		**204**	350
Provision for impairment:			
- Trade receivables		**(77,312)**	-
- Other receivables		**(6,197)**	(2,553)
Total		**8,305**	2,461,042

(a) Finance lease receivables are receivables related to the lease of fibre optic cable and telecommunication infrastructures and equipment of subsidiaries.

The movements in finance lease receivables are as follows:

	Note	Group 2023 RM'000	Group 2022 RM'000
At 1 January		**26,954**	58,463
Lease payments received		**(7,636)**	(12,121)
Finance income	10	**3,105**	5,336
Currency translation differences		**(2,025)**	(24,724)
At 31 December		**20,398**	26,954

Details of finance lease receivables according to maturity schedule are as follows:

	Group 2023 RM'000	Group 2022 RM'000
Within 1 year	**20,769**	22,780
Between 1 and 2 years	**-**	5,544
Between 2 and 3 years	**-**	4,238
	20,769	32,562
Unearned finance lease income	**(371)**	(5,608)
Total	**20,398**	26,954

(b) Accrued lease receivables relate to the effect of fixed price escalation clauses that are spread on a straight-line basis over the lease term.

Notes to the Financial Statements For the financial year ended 31 December 2023

34. TRADE AND OTHER RECEIVABLES (CONTINUED)

(c) The movements in contract assets are as follows:

	Group	
	2023 RM'000	2022 RM'000
At 1 January	**105,404**	175,191
Transfer to trade receivables	**(719,349)**	(531,014)
New subscriptions	**792,538**	523,923
Provision for impairment	**-**	68,192
Disposal of a group of subsidiaries	**-**	(130,790)
Reclassified as assets held for sale	**(35,902)**	-
Currency translation differences	**259**	(98)
At 31 December	**142,950**	105,404

(d) The amount due from an associate relates to non-trade shareholder's loans provided by the Company in two separate tranches of RM1,200.0 million and RM1,200.0 million, which beared interest of 3.3% p.a. and 3.6% p.a. respectively. Both tranches were repaid on 31 May 2023 pursuant to the merger between Celcom and Digi as disclosed in Note 5(b)(ii) to the financial statements.

(e) Movements in provision for impairment of certain components of trade and other receivables are as follows:

	Group	
	2023 RM'000	2022 RM'000
Accrued lease receivables		
At 1 January	**9,594**	8,608
Provision for impairment	**-**	1,029
Reclassified as assets held for sale	**(1,074)**	-
Currency translation differences	**88**	(43)
At 31 December	**8,608**	9,594
Contract assets		
At 1 January	**-**	87,091
Provision for impairment	**-**	4,283
Reversal of provision for impairment	**-**	(72,475)
Disposal of a group of subsidiaries	**-**	(18,899)
At 31 December	**-**	-
Trade receivables		
At 1 January	**474,538**	666,968
Provision for impairment	**264,313**	201,492
Reversal of provision for impairment	**(13,380)**	(26,906)
Write-off	**(121,231)**	(253,351)
Acquisition of subsidiaries	**2,791**	138,090
Disposal of group of subsidiaries	**(14,166)**	(186,695)
Reclassified as assets held for sale	**(16,788)**	-
Currency translation differences	**19,366**	(65,060)
At 31 December	**595,443**	474,538

Notes to the Financial Statements For the financial year ended 31 December 2023

34. TRADE AND OTHER RECEIVABLES (CONTINUED)

(e) Movements in provision for impairment of certain components of trade and other receivables are as follows: (continued)

	Group	
	2023 RM'000	**2022 RM'000**
Deposits and other receivables		
At 1 January	**157,261**	716,930
Provision for impairment	**21,669**	31,074
Reversal of provision for impairment	**(3,543)**	(31,761)
Write-off	**(1,048)**	924
Disposal of group of subsidiaries	**(136,368)**	(559,756)
Currency translation differences	**683**	(150)
At 31 December	**38,654**	157,261

	Company	
	2023 RM'000	**2022 RM'000**
Trade receivables		
At 1 January	**-**	-
Provision for impairment	**77,312**	-
At 31 December	**77,312**	-
Other receivables		
At 1 January	**2,553**	2,553
Provision for impairment	**3,644**	-
At 31 December	**6,197**	2,553

(f) The carrying amounts of trade and other receivables approximate their fair value. Credit terms of trade receivables for the Group range from five (5) to ninety (90) days (2022: five (5) to ninety (90) days).

(g) Measurement of ECL

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

The expected loss rates are based on the payment profiles of sales over a period of twenty-four (24) months before reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle receivables. The Group has identified the 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.

Notes to the Financial Statements For the financial year ended 31 December 2023

34. TRADE AND OTHER RECEIVABLES (CONTINUED)

(g) Measurement of ECL (continued)

(ii) General 3-stage approach for trade receivables arising from loan receivables and all other financial instruments

The Group and the Company use three (3) categories for trade receivables arising from loan receivables and all other financial instruments which reflect their credit risk and how the loss allowance is determined for each of those categories. A summary of the assumptions underpinning the Group's and the Company's ECL model is as follows:

Category	Group's definition of categories	Basis of recognising ECL
Performing	Debtors have a low risk of default and a strong capacity to meet contractual cash flows.	Twelve (12) months ECL
Underperforming	Debtors for which there is a significant increase in credit risk or significant increase in credit risk is presumed if interest and/or principal repayments are thirty (30) to ninety (90) days past due. For debtors with repayments of ninety (90) days past due, historically, there is no correlation between significant increases in the risk of a default occurring and financial assets on which payments are more than thirty (30) days past due, but there exists a correlation when payments are more than ninety (90) days past due.	Lifetime ECL
Non-performing	Interest and/or principal repayments are ninety (90) days to three hundred and sixty five (365) days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL

Based on the above, loss allowance is measured on either twelve (12) months ECL or lifetime ECL using a PD x LGD x EAD methodology as follows:

- PD – the likelihood that the debtor would not be able to repay during the contractual period;
- LGD – the percentage of contractual cash flows that will not be collected if default happens; and
- EAD – the outstanding amount that is exposed to default risk.

In deriving the PD and LGD, the Group and the Company consider historical data by each receivable by categories and adjusts for forward-looking macroeconomic data. The Group and the Company have identified GDP to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. There is no significant change to estimation techniques or assumptions used.

Notes to the Financial Statements For the financial year ended 31 December 2023

34. TRADE AND OTHER RECEIVABLES (CONTINUED)

(h) Maximum exposure to credit risk

(i) Trade receivables and contract assets within the scope of MFRS 15 - simplified approach (collective assessment)

The gross carrying amount of receivables below, which also represent the maximum exposure to credit risk to the Group, are as follows:

	Current	Past due			Total
	RM'000	1-3 months RM'000	4-6 months RM'000	Over 6 months RM'000	RM'000
2023					
Expected loss rate	**5.7% - 33.1%**	**12.4% - 98.3%**	**20.5% - 100.0%**	**51.4% - 100.0%**	
Gross trade receivables	**737,463**	**154,386**	**70,615**	**286,578**	**1,249,042**
Provision for impairment	**(32,655)**	**(34,394)**	**(22,193)**	**(174,830)**	**(264,072)**
Net trade receivables	**704,808**	**119,992**	**48,422**	**111,748**	**984,970**
Gross contract assets	**141,504**	**-**	**-**	**-**	**141,504**
Provision for impairment	**-**	**-**	**-**	**-**	**-**
Net contract assets	**141,504**	**-**	**-**	**-**	**141,504**
2022					
Expected loss rate	7.4% - 30.8%	7.6% - 91.7%	23.5% - 100.0%	40.3% - 100.0%	
Gross trade receivables	570,940	170,879	125,660	399,520	1,266,999
Provision for impairment	(27,549)	(23,654)	(19,831)	(215,715)	(286,749)
Net trade receivables	543,391	147,225	105,829	183,805	980,250
Gross contract assets	105,404	-	-	-	105,404
Provision for impairment	-	-	-	-	-
Net contract assets	105,404	-	-	-	105,404

Expected loss rates disclosed represent range of expected loss rates applied by the Group on trade receivables balances across different entities of the Group. Changes in expected loss rates are mainly attributed by the acquisition of a subsidiary and the completion of merger of Celcom and Digi in the previous financial year, as disclosed in Note 5(b)(ii) to the financial statements.

Notes to the Financial Statements For the financial year ended 31 December 2023

34. TRADE AND OTHER RECEIVABLES (CONTINUED)

(h) Maximum exposure to credit risk (continued)

(ii) Accrued lease receivables, finance lease receivables, trade receivables and contract assets within the scope of MFRS 15 - simplified approach (individual assessment)

The gross carrying amount of accrued lease receivables, finance lease receivables, trade receivables and contract assets within the scope of MFRS 15 (with individually significant balances which are separately assessed for ECL measurement) represent maximum exposure to credit risk to the Group are as follows:

	2023				2022			
	Accrued lease receivables RM'000	Finance lease receivables RM'000	Contract assets RM'000	Trade receivables RM'000	Accrued lease receivables RM'000	Finance lease receivables RM'000	Contract assets RM'000	Trade receivables RM'000
Group								
Gross balances:								
Current (not past due)	**47,770**	**20,398**	**1,446**	**483,806**	131,943	26,954	-	525,451
Up to 3 months past due	**-**	**-**	**-**	**275,259**	-	-	-	182,588
3 to 6 months past due	**-**	**-**	**-**	**78,865**	-	-	-	46,043
More than 6 months past due	**-**	**-**	**-**	**115,225**	-	-	-	90,337
Credit impaired	**8,608**	**-**	**-**	**180,213**	9,594	-	-	151,333
	56,378	**20,398**	**1,446**	**1,133,368**	141,537	26,954	-	995,752
Provision for impairment:								
Credit impaired	**(8,608)**	**-**	**-**	**(180,214)**	(9,594)	-	-	(151,333)
Non-credit impaired	**-**	**-**	**-**	**(26,873)**	-	-	-	(26,410)
Total	**47,770**	**20,398**	**1,446**	**926,281**	131,943	26,954	-	818,009

Notes to the Financial Statements For the financial year ended 31 December 2023

34. TRADE AND OTHER RECEIVABLES (CONTINUED)

(h) Maximum exposure to credit risk (continued)

(iii) Trade receivables - 3-stage approach (individual assessment)

The gross carrying amount of trade receivables arising from loan receivables (with individually significant balances which are separately assessed for ECL measurement) represent maximum exposure to credit risk to the Group are as follows:

	Expected credit loss rate	Basis for recognition of expected credit loss RM'000	Estimated gross carrying amount at default RM'000	Loss allowance RM'000	Carrying amount (net of impairment) RM'000
2023					
Group					
Performing	**0.7%**	**12 months ECL**	**279,553**	**(2,095)**	**277,458**
Underperforming	**17.6%**	**Lifetime ECL**	**19,073**	**(3,360)**	**15,713**
Non-performing	**94.3%**	**Lifetime ECL**	**125,971**	**(118,829)**	**7,142**
Total			**424,597**	**(124,284)**	**300,313**
Company					
Non-performing	**100.0%**	**Lifetime ECL**	**77,312**	**(77,312)**	**-**
Total			**77,312**	**(77,312)**	**-**
2022					
Group					
Performing	1.2%	12 months ECL	194,851	(2,321)	192,530
Underperforming	29.4%	Lifetime ECL	9,797	(2,883)	6,914
Non-performing	56.5%	Lifetime ECL	8,573	(4,842)	3,731
Total			213,221	(10,046)	203,175

Notes to the Financial Statements For the financial year ended 31 December 2023

34. TRADE AND OTHER RECEIVABLES (CONTINUED)

(h) Maximum exposure to credit risk (continued)

(iv) Deposits and other receivables - 3-stage approach (individual assessment)

The gross carrying amount of deposits and other receivables (excluding non-financial assets) (with individually significant balances which are separately assessed for ECL measurement) represent maximum exposure to credit risk to the Group and the Company are as follows:

	Expected credit loss rate	Basis for recognition of expected credit loss RM'000	Estimated gross carrying amount at default RM'000	Loss allowance RM'000	Carrying amount (net of impairment) RM'000
2023					
Group					
Performing	**4.4%**	**12 months ECL**	**640,134**	**(28,139)**	**611,995**
Underperforming	**0.0%**	**Lifetime ECL**	**12,627**	**-**	**12,627**
Non-performing	**47.6%**	**Lifetime ECL**	**22,072**	**(10,515)**	**11,557**
Total			**674,833**	**(38,654)**	**636,179**
Company					
Performing	**0.0%**	**12 months ECL**	**5,318**	**-**	**5,318**
Underperforming	**100.0%**	**Lifetime ECL**	**6,197**	**(6,197)**	**-**
Total			**11,515**	**(6,197)**	**5,318**
2022					
Group					
Performing	0.7%	12 months ECL	2,842,757	(18,813)	2,823,944
Underperforming	0.0%	Lifetime ECL	6,708	-	6,708
Non-performing	92.3%	Lifetime ECL	149,981	(138,448)	11,533
Total			2,999,446	(157,261)	2,842,185
Company					
Performing	0.0%	12 months ECL	2,432,307	-	2,432,307
Underperforming	100.0%	Lifetime ECL	2,553	(2,553)	-
			2,434,860	(2,553)	2,432,307

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 2023

34. TRADE AND OTHER RECEIVABLES (CONTINUED)

The currencies profiles of trade and other receivables are as follows:

	2023							2022							
	Functional currency							Functional currency							
	RM RM'000	IDR RM'000	LKR RM'000	BDT RM'000	USD RM'000	Others RM'000	Total RM'000	RM RM'000	IDR RM'000	LKR RM'000	BDT RM'000	NPR RM'000	USD RM'000	Others RM'000	Total RM'000
Group															
RM	**1,033,628**	**-**	**-**	**-**	**-**	**-**	**1,033,628**	3,042,883	227	2,002	-	-	3,540	-	3,048,652
USD	**14,404**	**88,999**	**94,779**	**7,566**	**337,905**	**-**	**543,653**	111,460	63,138	83,110	3,308	77,707	457,126	67	795,916
IDR	**47,840**	**2,001,750**	**-**	**-**	**-**	**-**	**2,049,590**	43,543	1,775,176	-	-	-	-	-	1,818,719
LKR	**-**	**-**	**554,197**	**-**	**31**	**-**	**554,228**	-	-	319,764	-	-	29	-	319,793
BDT	**-**	**-**	**-**	**796,756**	**-**	**-**	**796,756**	-	-	-	668,942	-	-	-	668,942
NPR	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-	-	498,578	-	-	498,578
MMK	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-	73,334	-	73,334
PKR	**-**	**-**	**-**	**-**	**-**	**105,397**	**105,397**	-	-	-	-	-	-	129,007	129,007
PHP	**-**	**-**	**-**	**-**	**-**	**531,858**	**531,858**	-	-	-	-	-	-	402,082	402,082
Others	**-**	**-**	**21,018**	**-**	**-**	**60,505**	**81,523**	739	-	-	-	2,008	5,099	33,236	41,082
Total	**1,095,872**	**2,090,749**	**669,994**	**804,322**	**337,936**	**697,760**	**5,696,633**	3,198,625	1,838,541	404,876	672,250	578,293	539,128	564,392	7,796,105
Company															
RM	**7,493**	**-**	**-**	**-**	**-**	**-**	**7,493**	2,460,330	-	-	-	-	-	-	2,460,330
Others	**812**	**-**	**-**	**-**	**-**	**-**	**812**	712	-	-	-	-	-	-	712
Total	**8,305**	**-**	**-**	**-**	**-**	**-**	**8,305**	2,461,042	-	-	-	-	-	-	2,461,042

Notes to the Financial Statements For the financial year ended 31 December 2023

35. DEPOSITS, CASH AND BANK BALANCES

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Deposits with licensed banks		**1,465,209**	2,434,471	**539,103**	-
Deposits under Islamic principles		**921,441**	2,067,378	**720,255**	1,887,433
Total deposits		**2,386,650**	4,501,849	**1,259,358**	1,887,433
Cash and bank balances		**2,225,484**	2,949,894	**167,302**	236,672
Total deposits, cash and bank balances		**4,612,134**	7,451,743	**1,426,660**	2,124,105
Represented by:					
Cash and cash equivalents in banks		**3,872,156**	6,468,675	**1,426,660**	1,453,902
Deposits pledged	16(a)	**89,273**	103,838	**-**	-
Trust account balances	16(d)(ii)	**83**	61,045	**-**	-
Restricted cash		**86,200**	76,354	**-**	-
Deposits maturing more than three (3) months		**564,422**	741,831	**-**	670,203
Total deposits, cash and bank balances		**4,612,134**	7,451,743	**1,426,660**	2,124,105

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 From	Group To	Company From	Company To
Financial year ended 31 December 2023	**Overnight**	**365**	**6**	**120**
Financial year ended 31 December 2022	Overnight	365	Overnight	120

The effective interest rates on deposits for the Group and the Company range from 0.50% to 13.00% (2022: 0.03% to 23.75%) per annum.

The Group and the Company placed its cash and bank balances with licensed financial institutions with credit rating range from P1 to B3 (2022: P1 to B3) in managing its credit exposure.

Notes to the Financial Statements For the financial year ended 31 December 2023

35. DEPOSITS, CASH AND BANK BALANCES (CONTINUED)

The currencies profiles of deposits, cash and bank balances are as follows:

	2023							2022							
	Functional currency							Functional currency							
	RM RM'000	IDR RM'000	LKR RM'000	BDT RM'000	USD RM'000	Others RM'000	Total RM'000	RM RM'000	IDR RM'000	LKR RM'000	BDT RM'000	NPR RM'000	USD RM'000	Others RM'000	Total RM'000
Group															
RM	**1,654,367**	**2,277**	**1,118**	**-**	**7,059**	**114**	**1,664,935**	2,800,286	30,795	40,274	-	-	206	139	2,871,700
USD	**747,195**	**44,336**	**287,456**	**24,534**	**882,090**	**7,598**	**1,993,209**	471,467	40,803	170	2,654	436,308	647,117	1,265	1,599,784
IDR	**7,074**	**386,435**	**-**	**-**	**-**	**-**	**393,509**	3,940	1,641,992	-	-	-	-	-	1,645,932
LKR	**-**	**-**	**299,591**	**-**	**410**	**-**	**300,001**	18	-	499,546	-	-	392	-	499,956
BDT	**-**	**-**	**-**	**178,406**	**-**	**-**	**178,406**	-	-	-	207,195	-	-	-	207,195
NPR	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-	-	198,481	-	-	198,481
MMK	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-	364,545	-	364,545
PKR	**-**	**-**	**-**	**-**	**-**	**23,122**	**23,122**	-	-	-	-	-	-	6,304	6,304
PHP	**-**	**-**	**-**	**-**	**-**	**43,200**	**43,200**	-	-	-	-	-	-	45,808	45,808
Others	**169**	**-**	**-**	**-**	**-**	**15,582**	**15,751**	159	-	-	-	-	5,457	6,422	12,038
Total	**2,408,805**	**433,048**	**588,165**	**202,940**	**889,559**	**89,616**	**4,612,133**	3,275,870	1,713,590	539,990	209,849	634,789	1,017,717	59,938	7,451,743
Company															
RM	**770,028**	**-**	**-**	**-**	**-**	**-**	**770,028**	1,929,155	-	-	-	-	-	-	1,929,155
USD	**656,477**	**-**	**-**	**-**	**-**	**-**	**656,477**	194,804	-	-	-	-	-	-	194,804
Others	**155**	**-**	**-**	**-**	**-**	**-**	**155**	146	-	-	-	-	-	-	146
Total	**1,426,660**	**-**	**-**	**-**	**-**	**-**	**1,426,660**	2,124,105	-	-	-	-	-	-	2,124,105

36. CASH FLOWS FROM/(USED IN) OPERATING, INVESTING AND FINANCING ACTIVITIES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Receipts from customers and others	**21,978,081**	23,956,521	**-**	-
Payments to suppliers, employees and others	**(11,142,145)**	(12,524,399)	**(283,839)**	(229,004)
Payments of finance costs	**(2,296,339)**	(1,589,069)	**(515,981)**	(392,923)
Payments of income taxes	**(676,560)**	(908,219)	**-**	-
Total cash flows from/(used in) operating activities	**7,863,037**	8,934,834	**(799,820)**	(621,927)
Proceeds from disposal of PPE	**20,251**	30,713	**8**	4
Proceeds from disposal of IA	**-**	1,556	**-**	-
Purchase of PPE	**(7,126,661)**	(9,760,988)	**(1,934)**	(4,698)
Acquisition of IA	**(732,999)**	(448,614)	**-**	-
Placement of deposits maturing more than three (3) months	**(495,610)**	(518,122)	**-**	(670,203)
Withdrawal of deposits maturing more than three (3) months	**673,019**	-	**670,203**	-
Investments in subsidiaries (net of cash acquired)	**(53,691)**	(2,780,487)	**-**	-
Investments in associates	**(640)**	(731)	**-**	-
Additional investments in associates	**-**	(3,773)	**-**	-
Interest received	**308,256**	228,787	**152,603**	18,027
Additional investment in a subsidiary	**-**	-	**-**	(169,940)
Purchase of other investments	**(14,549)**	(8,068)	**-**	-
Net proceeds from disposal of Celcom Group (net of cash disposed)	**402,000**	1,753,040	**402,000**	2,687,940
Transaction costs and cash and cash equivalents of Reynolds Group disposed off	**(547,083)**	-	**-**	-
Settlement of contingent consideration by a subsidiary	**(112,766)**	-	**-**	-
Repayment of loan from an associate	**2,431,867**	-	**2,431,867**	-
Dividends received from an associate and other investment	**497,254**	16,300	**497,254**	-
Dividends received from subsidiaries	**-**	-	**558,000**	1,691,834
(Advances to)/Repayment from employees	**(775)**	1,094	**-**	-
Payments for ROU assets	**(162,110)**	(95,703)	**-**	-
Advances to subsidiaries	**-**	-	**(188,585)**	(5,122,796)
Repayments from subsidiaries	**-**	-	**347,615**	448,213
Total cash flows (used in)/from investing activities	**(4,914,237)**	(11,584,996)	**4,869,031**	(1,121,619)

Notes to the Financial Statements For the financial year ended 31 December 2023

36. CASH FLOWS FROM/(USED IN) OPERATING, INVESTING AND FINANCING ACTIVITIES (CONTINUED)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Proceeds from borrowings	**8,874,102**	17,281,030	**1,256,350**	4,627,234
Proceeds from Sukuk	**-**	1,823,000	**-**	-
Repayments of borrowings	**(10,417,708)**	(11,319,031)	**(3,709,060)**	(1,811,943)
Repayments of Sukuk	**(44,402)**	(790,914)	**-**	-
Additional investments in subsidiaries by NCI	**25,733**	106	**-**	-
Capital injections in subsidiaries by NCI	**74,000**	123	**-**	-
Net proceeds from rights issue of subsidiaries	**-**	167,997	**-**	-
Net cash paid from mandatory tender offer of a subsidiary	**-**	(1,349,081)	**-**	-
Advances from subsidiaries	**-**	-	**111,871**	21,844
Repayments of advances to subsidiaries	**-**	-	**-**	(11,258)
Repayments of lease liabilities	**(1,759,069)**	(1,705,311)	**(1,792)**	(4,144)
Dividends paid to NCI	**(304,461)**	(190,865)	**-**	-
Dividends paid to shareholders	**(1,743,854)**	(504,724)	**(1,743,854)**	(504,724)
Total cash flows (used in)/from financing activities	**(5,295,659)**	3,412,330	**(4,086,485)**	2,317,009

37. ASSETS AND LIABILITIES OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

The Board of Directors approved EDOTCO's proposed intention to exit from the infrastructure segment in Myanmar which comprised of edotco Investments Singapore Pte Ltd and its subsidiaries ("EIS Group"), attributed to worsening macroeconomic parameters, business conditions and an active programme to seek buyers has commenced. The management has assessed and concluded that the proposed exit met the requirements of MFRS 5 as disclosed on Note 4(a)(iii) to the financial statements.

Accordingly, the Group has presented the financial results of EIS Group 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 2023

37. ASSETS AND LIABILITIES OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

The following assets and liabilities were classified as held for sale in relation to the discontinued operations as at 31 December 2023.

	Note	Group RM'000
Assets classified as held for sale		
IA	24	**40,496**
PPE	26	**97,942**
ROU assets	27	**15,812**
Deferred tax assets	22	**22,272**
Trade and other receivables		**314,644**
Cash and bank balances		**390,270**
Total assets of a disposal group classified as held for sale		**881,436**
Liabilities classified as held for sale		
Trade and other payables		**68,249**
Lease liabilities	23	**61,113**
Current tax liabilities		**11,571**
Deferred tax liabilities	22	**46,601**
Provision for asset retirement	21	**181,044**
Total liabilities of a disposal group classified as held for sale		**368,578**

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

	Group	
	2023 RM'000	2022 RM'000
Revenue	**316,057**	306,016
Expenses*	**(1,098,405)**	(177,697)
(Loss)/Profit before tax from discontinued operations	**(782,348)**	128,319
Taxation	**(14,576)**	(33,452)
(Loss)/Profit after tax from discontinued operations	**(796,924)**	94,867
Currency translation differences	**47,329**	46,426
Total comprehensive (expense)/income from discontinued operations	**(749,595)**	141,293

* Included an impairment of RM887.9 million during the financial year as disclosed in Note 24(e)(iii) to the financial statements.

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

	Group	
	2023 RM'000	2022 RM'000
Cash flows from operating activities	**143,281**	314,082
Cash flows used in investing activities	**(31,320)**	(7,804)
Cash flows from/(used in) financing activities	**17,485**	(107,458)
Net increase in cash and cash equivalents	**129,446**	198,820

38. CONTINGENCIES AND COMMITMENTS

(a) Capital commitments

	Group	
	2023 RM'000	**2022 RM'000**
PPE		
Commitments in respect of expenditure approved and contracted for	**1,733,415**	3,048,523

(b) 3G annual fees commitment

XL has committed to pay annual fees within ten (10) years, as long as XL holds the 3G licence. The amount of annual payment is based on the scheme of payment set out in Regulation No. 07/PER/M.KOMINFO/2/2006 of the Minister of Communication & Information and Decree No.323/KEP/M.KOMINFO/09/2010 of the Minister of Communication & Information. No penalty will be imposed in the event that XL returns the licence.

(c) Operating lease - The Group as a lessor

The Group leases out its telecommunication towers, sites and network equipment. The Group classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The following tables sets out the maturity schedule of undiscounted lease payments to be received after the reporting date.

	Group	
	2023 RM'000	**2022 RM'000**
Within 1 year	**1,081,929**	925,691
Between 1 and 2 years	**1,020,253**	900,964
Between 2 and 3 years	**911,636**	806,310
Between 3 and 4 years	**791,408**	762,854
Between 4 and 5 years	**745,587**	718,410
Later than 5 years	**3,448,920**	2,846,540
Total undiscounted lease payments to be received	**7,999,733**	6,960,769

Notes to the Financial Statements For the financial year ended 31 December 2023

38. CONTINGENCIES AND COMMITMENTS (CONTINUED)

(d) Lists of contingent liabilities of subsidiaries of the Group as at 31 December are as follows:

Description	Potential exposure 2023 RM'million	Potential exposure 2022 RM'million
1. **Robi vs Large Taxpayer Unit ("LTU-VAT") of the National Board of Revenue of Bangladesh ("NBR") (SIM Replacement Tax)**	**173.2**	177.0

Robi SIM Replacement Dispute March 2007 - June 2011

On 17 May 2015, the LTU-VAT of the NBR issued a revised demand letter for BDT4,145.5 million (RM173.2 million) ("2007 to 2011 Revised Claim") to Robi alleging that Robi had evaded payment of supplementary duty and value-added tax ("VAT") levied on the issuance of a certain number of SIM cards to new customers of Robi for the duration from March 2007 to June 2011 when such SIM cards were issued as replacement cards to existing subscribers of Robi.

In August 2015, Robi filed an appeal against the 2007 to 2011 Revised Claim to the Customs, Excise and VAT Appellate Tribunal. Robi deposited 10% of the sum set out in the 2007 to 2011 Revised Claim with the LTU-VAT of the NBR based on provisions of the Value Added Tax Act 1991, as disclosed in Note 34 to the financial statements.

This appeal was first heard on 28 September 2016 by the Customs, Excise and VAT Appellate Tribunal and later reheard on 11 April 2017 by a reconstituted bench of the Customs, Excise and VAT Appellate Tribunal. The Customs, Excise and VAT Appellate Tribunal dismissed Robi's appeal.

In September 2017, Robi filed an appeal to the High Court of Bangladesh against the Customs, Excise and VAT Appellate Tribunal's decision ("VAT Appeal No. 1").

On 23 November 2020, the VAT Appeal No. 1 pending in the High Court of Bangladesh was fixed for hearing whereupon the High Court of Bangladesh ordered parties to file the remaining paper books and fixed VAT Appeal for continued hearing from 20 January 2021 onwards, with no further developments to date.

The Board of Directors, based on external legal advice received, are of the view that it has good prospects of succeeding on the claim.

2. **Robi vs LTU-VAT of the NBR (SIM Replacement Tax)**	**119.2**	121.8

Robi SIM Replacement Dispute July 2012 to June 2015

On 20 November 2017, the LTU-VAT of the NBR issued a demand letter for BDT2,852.0 million (RM119.2 million) ("2012 to 2015 Claim") to Robi alleging that Robi had evaded payment of supplementary duty and VAT levied on the issuance of certain number of SIM cards to new customers of Robi for the duration from July 2012 to June 2015 when such SIM cards were issued as replacement cards to existing subscribers of Robi.

On 18 February 2018, Robi filed an appeal against the 2012 to 2015 Claim to the Customs, Excise and VAT Appellate Tribunal on the basis that replacement cards do not establish new connections and do not change existing subscribers' numbers. Robi deposited 10% of the sum set out in the respective demand notices with the LTU-VAT of the NBR based on provisions of the Value Added Tax Act 1991, as disclosed in Note 34 to the financial statements. This appeal was dismissed by the Customs, Excise and VAT Appellate Tribunal.

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

On 23 November 2020, the VAT Appeal No. 2 pending in the High Court of Bangladesh was fixed for hearing whereupon the High Court of Bangladesh ordered parties to file the remaining paper books.

On 3 December 2020, the High Court of Bangladesh took the view that Robi will need to file a Revision Application for the VAT Appeal No. 2 under the new Value Added Tax and Supplementary Duty Act 2012 which became effective on 1 July 2019. Pursuant thereto, Robi will have to deposit a further 10% of the sum set out in the respective demand notice with the LTU-VAT of the NBR.

Notes to the Financial Statements For the financial year ended 31 December 2023

38. CONTINGENCIES AND COMMITMENTS (CONTINUED)

(d) Lists of contingent liabilities of subsidiaries of the Group as at 31 December are as follows: (continued)

Description	Potential exposure 2023 RM'million	Potential exposure 2022 RM'million
2. **Robi vs LTU-VAT of the NBR (SIM Replacement Tax) (continued)**		
Robi SIM Replacement Dispute July 2012 to June 2015 (continued)		
Robi has filed written arguments against such view on the basis that the new Value Added Tax and Supplementary Duty Act 2012 is not applicable. This legal point was heard on 2 March 2021 in which the High Court of Bangladesh dismissed Robi's argument and advised Robi to file a Revision Application under the new Value Added Tax and Supplementary Duty Act 2012. Subsequently on 23 March 2021, Robi filed a Civil Miscellaneous Petition for Leave to Appeal ("CMP") before the Appellate Division of the Supreme Court of Bangladesh contending the dismissal. Pending the hearing of the CMP by the Appellate Division, the High Court Division of Supreme Court of Bangladesh issued a certified copy of the judgement on maintainability on 23 August 2021. Robi subsequently filed a Civil Petition for Leave to Appeal ("CP") before the Appellate Division of the Supreme Court of Bangladesh. The CP is now pending for hearing.		
The Board of Directors, based on external legal advice received, are of the view that it has good prospects of succeeding on the claim.		
3. **Robi's tax position**	**133.5**	136.4
Robi has claimed certain expenses as deductible expenses in its tax provision computations for the FY 2005 to 2019 (2022: FY 2005 to 2018). The NBR has challenged its claims and regarded those expenses as non-deductible.		
Robi deposited between 10% to 25% of the tax liability with the NBR at different stages of appeal based on provisions of the Income Tax Ordinance 1984.		
Included in Robi's tax provision computations is a claim on SIM tax subsidy as a deductible expense. NBR has challenged this claim on grounds that the subsidy is collected from customers and therefore is not a 'business expense'.		
Based on external legal advice received, the Board of Directors are of the view that Robi has good prospects of succeeding on the remaining claims.		
In addition, there are similar Bharti Airtel Limited ("Airtel") cases amounting to BDT339.8 million (RM14.2 million) which are indemnified by a third party arising from a business combination.		

38. CONTINGENCIES AND COMMITMENTS (CONTINUED)

(d) Lists of contingent liabilities of subsidiaries of the Group as at 31 December are as follows: (continued)

Description	Potential exposure 2023 RM'million	Potential exposure 2022 RM'million
4. **Robi vs Bangladesh Telecommunication Regulatory Commission ("BTRC")**	**303.3**	310.0

BTRC conducted an information system audit on Robi for the years between 1997 to 2014 and issued a claim of BDT8,672.4 million (RM362.3 million) against Robi on 31 July 2018 ("Information System Audit Claim"). This Information System Audit Claim was disputed by Robi, and a Notice of Arbitration was served on BTRC on 30 May 2019.

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

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

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

On 5 January 2020, the High Court of Bangladesh issued an injunction upon BTRC on condition that Robi deposit BDT1,380.0 million (RM69.0 million) in five instalments. Robi deposited these five (5) equal instalments by 31 May 2020, as disclosed in Note 34 to the financial statements. This matter is currently pending for hearing before the Joint District Judge, Dhaka.

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 BDT1,412.1 million (RM59.0 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.

38. CONTINGENCIES AND COMMITMENTS (CONTINUED)

(d) Lists of contingent liabilities of subsidiaries of the Group as at 31 December are as follows: (continued)

Description	Potential exposure 2023 RM'million	Potential exposure 2022 RM'million
5. **Robi vs LTU-VAT of the NBR (VAT rebate cancellation)**	**117.2**	119.7
For the period of 2010 to 2016, Robi claimed rebate for input VAT payable on certain goods and services relating to capital machineries (i.e. antenna, cable, media gateway switch, battery, modem, telephone and telegraphic switch, power system, optical multi service systems, universal service router, printed service board, racks, etc.). The LTU-VAT of the NBR issued five (5) show cause cum demand notices to Robi to cancel such rebate for input VAT and demanded for a total amount of BDT2,805.6 million (RM117.2 million).		
(i) The demand notice for the period of July 2013 to June 2014 is for BDT596.8 million (RM24.9 million).		
(ii) The demand notice for the period of July 2014 to January 2016 is for BDT993.2 million (RM41.5 million).		
(iii) The demand notice for the period of February 2016 to April 2016 for BDT41.0 million (RM1.7 million).		
(iv) The demand notice for the period of May 2016 to December 2016 is for BDT707.7 million (RM29.6 million).		
(v) The demand notice for the period of July 2010 to June 2012 is for BDT466.9 million (RM19.5 million). Robi filed an appeal to the Customs, Excise and VAT Appellate Tribunal.		
Pursuant to each demand notice in items (i) to (v), Robi deposited 10% of the sum set out in the respective demand notices with the LTU-VAT of the NBR based on the provisions of the Value Added Tax Act 1991, as disclosed in Note 34 to the financial statements.		
For items (i) to (iv), Robi filed four (4) separate VAT appeals to the High Court of Bangladesh on 21 January 2019 to challenge the said demand notices. For item (v), the earlier appeal to the Customs, Excise and VAT Appellate Tribunal was dismissed and Robi thereafter filed a VAT appeal to the High Court of Bangladesh on 1 June 2020 to challenge the said demand notice. All VAT appeals are currently pending for hearing before the High Court of Bangladesh.		
The Board of Directors, based on external legal advice received, are of the view that it has good prospects of succeeding on the claim.		
In addition, there are similar Airtel cases amounting to BDT442.8 million (RM18.5 million) which are indemnified by a third party arising from a business combination.		
Total exposure	**846.4**	864.9

The Company does not have any contingent liability as at 31 December 2023 and 31 December 2022.

Notes to the Financial Statements For the financial year ended 31 December 2023

39. SEGMENTAL REPORTING

By business segments and geographical locations of the key operating companies of the Group

Management has determined the operating segments to be based on the management reports reviewed by the Board of Directors as CODM.

The business segments of the Group represent the core businesses and geographical locations of the key operating companies based on the operating results regularly reviewed by the Board of Directors. The business segments of the Group are as follows:

(i) Mobile segment

The mobile business of the Group is segmented based on the countries in which the key operating companies operate. The reportable segments are principally engaged in the provision of mobile services and other services such as provision of interconnect services, sale of devices, pay television transmission services, broadband services and digital business and others.

(ii) Fixed broadband segment

The fixed broadband segment is principally engaged in broadband and broadcasting business.

(iii) Infrastructure segment

The infrastructure segment is principally engaged in the provision of telecommunication infrastructure and related services. Although the infrastructure segment operates in different geographical locations, resource allocation decisions and business performance management for this segment are viewed as a single business unit by the Board of Directors. This is consistent with the current practice of internal reporting. As such, the geographical information on infrastructure segment is not presented.

(iv) 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.

(v) 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.

39. SEGMENTAL REPORTING (CONTINUED)

	<-------Mobile segment			------->	Fixed BB[1] segment	Infrastructure segment	Digital <---segment	--->	Others[4]	Consolidation adjustments/ eliminations	Continuing operations
	Indonesia RM'000	Bangladesh RM'000	Sri Lanka RM'000	Cambodia RM'000	Indonesia RM'000	RM'000	ADA[2] RM'000	Boost[3] RM'000	RM'000	RM'000	RM'000
Financial year ended 31 December 2023											
Revenue:											
Total revenue	9,664,473	4,200,408	2,624,102	1,721,474	1,173,749	2,475,224	882,158	152,001	193,541	-	23,087,130
Inter-segment[5]	(89,479)	(87,454)	(1,257)	(34,195)	(1,732)	(609,967)	(125,345)	(1,294)	(134,138)	-	(1,084,861)
External revenue	9,574,994	4,112,954	2,622,845	1,687,279	1,172,017	1,865,257	756,813	150,707	59,403	-	22,002,269
Results:											
EBITDA[6]	4,776,579	1,922,829	859,292	918,619	488,638	1,595,573	16,550	(129,194)	(441,454)	(378,560)	9,628,872
Finance income	29,929	7,253	27,666	31,356	1,833	17,585	11,241	7,810	137,458	(23,768)	248,363
Finance costs	(886,336)	(275,557)	(140,445)	(30,395)	(145,981)	(502,432)	(1,293)	(21,911)	(504,762)	221,243	(2,287,869)
Depreciation of PPE	(1,950,636)	(646,641)	(408,845)	(318,166)	(439,468)	(617,494)	(3,442)	(1,345)	(7,154)	7,939	(4,385,252)
Depreciation of ROU assets	(1,428,019)	(177,801)	(22,989)	(71,092)	(44,558)	(297,873)	(4,660)	(3,730)	(4,810)	210,570	(1,844,962)
Amortisation of intangible assets ("IA")	(47,007)	(362,183)	(48,065)	(13,051)	(20,273)	(47,125)	(17,048)	(36,333)	(5,117)	(140,504)	(736,706)
Impairment of PPE, ROU assets and IA (licence and others), net	(91)	(28,896)	(2,947)	6,849	(16,166)	(2,315)	-	-	(5,378)	-	(48,944)
Impairment of goodwill	-	-	-	-	-	(40,459)	-	-	-	-	(40,459)
Joint ventures:											
- share of results (net of tax)	-	-	-	-	-	-	-	-	903	-	903
Associates:											
- share of results (net of tax)	(57,366)	-	(983)	424	-	-	-	-	535,362	53,306	530,743
- gain on dilution of equity interest	110	-	-	-	-	-	-	-	-	-	110
Other income/(expense)	82,991	(141,756)	57,934	10,943	689	(95,939)	9,716	1,114	(184,498)	(12,628)	(271,434)
Taxation	(127,912)	(161,649)	(39,575)	(111,814)	15,925	(185,023)	(4,881)	4,349	(62,049)	21,461	(651,168)
Segment profit/(loss) for the financial year	392,242	135,599	281,043	423,673	(159,361)	(175,502)	6,183	(179,240)	(541,499)	(40,941)	142,197

1 Fixed broadband
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.

39. SEGMENTAL REPORTING (CONTINUED)

		<-------- Discontinued operations -------->				
		<----- Mobile segment ----->		Infrastructure		
	Continuing operations[7]	Malaysia	Nepal[8]	segment Myanmar[9]	Discontinued operations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial year ended 31 December 2023 (continued)						
Revenue:						
Total revenue	23,087,130	-	1,172,699	316,057	1,488,756	24,575,886
Inter-segment[5]	(1,084,861)	-	(1,546)	-	(1,546)	(1,086,407)
External revenue	22,002,269	-	1,171,153	316,057	1,487,210	23,489,479
Results:						
EBITDA[6]	9,628,872	-	650,930	280,472	931,402	10,560,274
Finance income	248,363	-	22,979	38,807	61,786	310,149
Finance costs	(2,287,869)	-	(135,219)	(8,748)	(143,967)	(2,431,836)
Depreciation of PPE	(4,385,252)	-	(174,097)	(73,421)	(247,518)	(4,632,770)
Depreciation of ROU assets	(1,844,962)	-	(15,791)	(14,069)	(29,860)	(1,874,822)
Amortisation of IA	(736,706)	-	(251,532)	(25,378)	(276,910)	(1,013,616)
Impairment of PPE, ROU assets and IA (licence and others), net	(48,944)	-	(1,929,904)	(747,224)	(2,677,128)	(2,726,072)
Impairment of goodwill	(40,459)	-	-	(140,639)	(140,639)	(181,098)
Joint ventures:						
- share of results (net of tax)	903	-	-	-	-	903
Associates:						
- share of results (net of tax)	530,743	-	-	-	-	530,743
- gain on dilution of equity interest	110	-	-	-	-	110
Other income/(expense)	(271,434)	402,000	(770,656)	(92,148)	(460,804)	(732,238)
Taxation	(651,168)	-	398,859	(14,576)	384,283	(266,885)
Segment profit/(loss) for the financial year	142,197	402,000	(2,204,431)	(796,924)	(2,599,355)	(2,457,158)

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.

6 EBITDA consolidation adjustments/eliminations mainly due to inter-segment elimination for leases under MFRS 16.

7 Reference to previous page disclosure of continuing operations.

8 Nepal refers to Reynolds Group as defined in Note 5(a)(i) to the financial statements.

9 Infrastructure segment Myanmar refers to EIS Group as defined in Note 37 to the financial statements.

39. SEGMENTAL REPORTING (CONTINUED)

	<-----Mobile segment-----			------>	Fixed BB[1] segment	Infrastructure segment	<-------Digital segment-------	------>	Others[4]	Consolidation adjustments/ eliminations	Continuing operations
	Indonesia RM'000	Bangladesh RM'000	Sri Lanka RM'000	Cambodia RM'000	Indonesia RM'000	RM'000	ADA[2] RM'000	Boost[3] RM'000	RM'000	RM'000	RM'000
Financial year ended 31 December 2022											
Revenue:											
Total revenue	8,626,030	4,053,610	2,515,741	1,642,593	669,299	2,175,172	874,848	156,216	301,384	-	21,014,893
Inter-segment[5]	(264)	(85,546)	(7,908)	(31,850)	(30)	(637,761)	(15,070)	(2,510)	(213,674)	-	(994,613)
External revenue	8,625,766	3,968,064	2,507,833	1,610,743	669,269	1,537,411	859,778	153,706	87,710	-	20,020,280
Results:											
EBITDA[6]	4,219,018	1,804,990	729,856	827,859	309,074	1,395,009	118,175	(132,343)	(263,809)	(387,915)	8,619,914
Finance income	33,068	3,784	33,839	21,365	391	17,636	4,568	2,826	131,686	(25,358)	223,805
Finance costs	(830,507)	(280,328)	(74,974)	(30,638)	(39,477)	(283,175)	(867)	(9,737)	(438,890)	286,364	(1,702,229)
Depreciation of PPE	(1,766,865)	(707,853)	(411,943)	(287,280)	(190,363)	(464,535)	(3,227)	(945)	(7,867)	4,585	(3,836,293)
Depreciation of ROU assets	(1,345,661)	(161,096)	(27,050)	(64,639)	(26,063)	(270,262)	(3,503)	(2,645)	(9,311)	207,816	(1,702,414)
Amortisation of IA	(2,240)	(278,007)	(51,085)	(13,815)	(9,958)	(46,151)	(13,359)	(27,881)	(8,127)	(97,112)	(547,735)
Impairment of PPE, ROU assets and IA (licence and others), net	(1,909)	(34,783)	(44,116)	-	(3,745)	(29,904)	-	-	(2,644)	-	(117,101)
Impairment of goodwill	-	-	(66,948)	-	-	-	-	-	-	(1,486,854)	(1,553,802)
Joint ventures:											
- share of results (net of tax)	-	-	-	-	-	-	-	-	(9,709)	-	(9,709)
Associates:											
- share of results (net of tax)	1,136	-	(1,103)	(15,768)	-	-	-	-	3,043	(44,125)	(56,817)
Other income/(expense)[10]	105,901	(209,552)	(518,751)	(85,075)	(3,657)	(41,591)	8,331	2,580	(365,992)	(19,303)	(1,127,109)
Taxation	(70,968)	(50,890)	(92,165)	(116,895)	(8,747)	(180,526)	(28,564)	(68)	(60,012)	3,975	(604,860)
Segment profit/(loss) for the financial year	340,973	86,265	(524,440)	235,114	27,455	96,501	81,554	(168,213)	(1,031,632)	(1,557,927)	(2,414,350)

1 Fixed broadband
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.
6 EBITDA consolidation adjustments/eliminations mainly due to inter-segment elimination for leases under MFRS 16.

39. SEGMENTAL REPORTING (CONTINUED)

		<-------- Discontinued operations -------->				
		<----- Mobile segment ----->		Infrastructure segment		
	Continuing operations[7]	Malaysia	Nepal[8]	Myanmar[9]	Discontinued operations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial year ended 31 December 2022 (continued)						
Revenue:						
Total revenue	21,014,893	6,385,266	1,390,099	306,016	8,081,381	29,096,274
Inter-segment[5]	(994,613)	(589,347)	(16,244)	-	(605,591)	(1,600,204)
External revenue	20,020,280	5,795,919	1,373,855	306,016	7,475,790	27,496,070
Results:						
EBITDA[6]	8,619,914	2,837,042	725,093	252,205	3,814,340	12,434,254
Finance income	223,805	(16,962)	20,453	11,058	14,549	238,354
Finance costs	(1,702,229)	(125,172)	(113,550)	(10,478)	(249,200)	(1,951,429)
Depreciation of PPE	(3,836,293)	(752,236)	(242,396)	(83,749)	(1,078,381)	(4,914,674)
Depreciation of ROU assets	(1,702,414)	(167,838)	(17,876)	(14,601)	(200,315)	(1,902,729)
Amortisation of IA	(547,735)	(60,176)	(355,435)	(24,472)	(440,083)	(987,818)
Impairment of PPE, ROU assets and IA (licence and others), net	(117,101)	-	-	(228)	(228)	(117,329)
Impairment of goodwill	(1,553,802)	-	(2,598,970)	-	(2,598,970)	(4,152,772)
Joint ventures:						
- share of results (net of tax)	(9,709)	-	-	-	-	(9,709)
Associates:						
- share of results (net of tax)	(56,817)	15,714	-	-	15,714	(41,103)
Other income/(expense)[10]	(1,127,109)	13,612,657	34,458	(1,416)	13,645,699	12,518,590
Taxation	(604,860)	(446,740)	(9,169)	(33,452)	(489,361)	(1,094,221)
Segment profit/(loss) for the financial year	(2,414,350)	14,896,289	(2,557,392)	94,867	12,433,764	10,019,414

7 Reference to previous page disclosure of continuing operations.
8 Nepal refers to Reynolds Group as defined in Note 5(a)(i) to the financial statements.
9 Infrastructure segment Myanmar refers to EIS Group as defined in Note 37 to the financial statements.
10 Included in other expense is unrealised foreign exchange losses mainly arising from the revaluation of USD borrowings and working capital.

39. SEGMENTAL REPORTING (CONTINUED)

By geographical location

In presenting information for geographical segments of the Group, total non-current assets are determined based on where the assets of core businesses and geographical locations of the key operating companies. Non-current assets exclude financial instruments defined under MFRS 9 and deferred tax assets.

	<------------------Mobile segment---------------------->					Fixed BB segment	Infrastructure segment[2]	Digital segment		Others[1]	Total
	Indonesia RM'000	Bangladesh RM'000	Sri Lanka RM'000	Nepal RM'000	Cambodia RM'000	Indonesia RM'000	RM'000	ADA RM'000	Boost RM'000	RM'000	RM'000
As at 31 December 2023											
Total non-current assets	**25,036,689**	**7,148,904**	**2,695,318**	**-**	**1,904,233**	**4,768,592**	**9,543,294**	**230,685**	**150,275**	**15,617,838**	**67,095,828**
As at 31 December 2022											
Total non-current assets	22,823,588	6,327,592	2,271,878	3,320,865	1,859,464	4,223,197	9,916,712	167,978	124,567	15,464,098	66,499,939

1 Included in Others is the Company's investment in a material associate in Malaysia, as disclosed in Note 29 to the financial statements.
2 Geographical locations of infrastructure segment non-current assets are as follows:

	Malaysia RM'000	Bangladesh RM'000	Myanmar RM'000	Philippines RM'000	Pakistan RM'000	Others[3] RM'000	Total RM'000
2023	**2,985,746**	**1,796,572**	**-**	**3,570,649**	**415,868**	**774,459**	**9,543,294**
2022	3,125,510	1,665,967	1,160,208	2,852,877	531,501	580,649	9,916,712

3 Others include other geographical locations within the infrastructure segment that are not individually material.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Market risks consist of:

(i) price risk – risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instrument traded in the market.

(ii) foreign currency exchange risk – risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

(iii) fair value interest rate risk – risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

(iv) cash flow interest rate risk – risk that future cash flows associated with a financial instrument will fluctuate. In the case of a floating rate debt instrument, such fluctuations result in a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value.

(b) Credit risk – risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

(c) Liquidity risk (funding risk) – risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments.

The Group's and the Company's overall financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and the Company. Financial risk management is carried out through risk reviews, internal control systems, insurance programmes and adherence to the Group's and the Company's financial risk management policies. The Board of Directors regularly reviews these risks and approves the treasury policies, which covers the management of these risks. Hedging transactions are determined in the light of commercial commitments. Derivative financial instruments are used to hedge underlying commercial exposures.

(a) Market risks

(i) Price risk

The Group is exposed to equity securities price risk mainly due to investments held by the Group classified on the consolidated statement of financial position as FVTOCI asset, which is fair valued under level 3 fair value estimation.

(ii) Foreign currency exchange risk

Group

The foreign exchange risk of the Group predominantly arises from borrowings denominated in foreign currencies. The main currency exposure from borrowings denominated in foreign currency is USD as disclosed in Note 16 to the financial statements. The Group has cross currency swaps and FX forward that are primarily used to hedge selected foreign currency borrowings to reduce the foreign currency exposures on these borrowings.

Based on the borrowings position as at 31 December 2023, 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 RM954.4 million (2022: RM871.6 million) on translation of USD denominated non-hedged borrowings.

The exposure to other foreign currency risk of the Group is not material and hence, sensitivity analysis is not presented.

Company

The foreign exchange risk of the Company predominantly arises from non-hedged borrowings denominated in USD.

As at 31 December 2023, 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 RM146.9 million (2022: RM165.1 million) on translation of USD denominated non-hedged borrowings.

Notes to the Financial Statements For the financial year ended 31 December 2023

40. 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's borrowings comprise borrowings from financial institutions, Sukuk, Bonds and Note. The Group's interest rate risk objective is to manage an acceptable level of rate fluctuation on interest expense. In order to achieve this objective, the Group targets a composition of fixed and floating borrowings based on assessment of its existing exposure and desirable interest rate profile. To obtain this composition, the Group uses hedging instruments such as CCIRS and IRS as disclosed in Note 18(b) and Note 18(c) to the financial statements.

The Company's borrowings comprise borrowings from financial institutions. The interest rate profiles of the Company's borrowings are regularly reviewed against prevailing and anticipated market interest rates to determine whether refinancing or early repayment is warranted.

The Company provided loan to subsidiaries with 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 2023, if interest rates on non-hedged floating borrowings had been lower/higher by 5% with all other variables held constant, this will result in a lower/higher finance costs of the Group amounting to RM30.1 million (2022: RM27.4 million).

Company

As at 31 December 2023, if interest rates on non-hedged floating borrowings had been lower/higher by 5% with all other variables held constant, this will result in a lower/higher finance costs of the Company amounting to RM3.2 million (2022: RM5.3 million).

As at 31 December 2023, 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 RM1.1 million (2022: RM6.2 million).

Effects of IBOR reform

The reform and replacement of benchmark interest rates such as LIBOR and other inter-bank offered rates has become a priority for global regulators. Globally, new 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. It is expected that 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. There remains some uncertainty around the timing and precise nature of these changes.

As at 31 December 2023, the Group has several borrowings which make reference to JIBOR and extends beyond 2023. The JIBOR based financial instrument of the Group holds as of 31 December 2023 amounting to RM3,382.3 million (2022: RM3,018.0 million).

Notes to the Financial Statements For the financial year ended 31 December 2023

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(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.

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 RM14,743.9 million.

The carrying amount and expected credit losses for amounts due from subsidiaries and trade receivables and other receivables are shown in Note 33 and Note 34 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 2023, the Group's current liabilities exceeded its current assets by RM 4,589.6 million (2022: RM6,379.3 million). The Company and its subsidiaries have undrawn facilities from the continuing operations amounting to RM5,514.4 million available to meet liquidity requirements. Additionally, as disclosed in Note 16 to the financial statements, certain subsidiaries of the Group have outstanding undrawn amounts under the Multi-Currency Sukuk, Sukuk Wakalah and EMTN Programme amounting to USD500.0 million (RM2,295.0 million), RM1,600.0 million and USD500.0 million (RM2,295.0 million) respectively. Any issuance of new Sukuk will be subject to market conditions such as market liquidity and market lending rates at the point of issuance. The Group is confident that it will be able to successfully issue the outstanding amounts, if needed, in the next twelve (12) months from the date of the financial statements.

The Group's net cash flows from operating activities for the financial year ended 2023 was RM 7,863.0 million (2022: RM 8,934.8 million). In addition, the Group's deposits, cash and bank balances as at 31 December 2023 was RM 4,612.1 million (2022: RM 7,451.7 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.

Notes to the Financial Statements For the financial year ended 31 December 2023

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk (continued)

The tables below analyse the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. As amounts included in the tables are contractual undiscounted cash flows, these amounts may not be reconciled to the amounts disclosed on the statements of financial position for trade and other payables, lease liabilities, borrowings and derivative financial liabilities.

	2023				
	Trade and other payables RM'000	Lease liabilities RM'000	Borrowings RM'000	Gross settled derivative financial liabilities Outflow RM'000	Total RM'000
Group					
Below 1 year	**6,174,813**	**2,848,928**	**3,267,403**	**16,015**	**12,307,159**
1 - 2 years	**175,962**	**2,288,359**	**3,882,480**	**-**	**6,346,801**
2 - 3 years	**-**	**2,155,477**	**6,284,130**	**-**	**8,439,607**
3 - 4 years	**-**	**1,919,318**	**2,407,636**	**-**	**4,326,954**
4 - 5 years	**-**	**1,606,860**	**1,962,559**	**-**	**3,569,419**
5 - 10 years	**-**	**4,135,140**	**6,241,581**	**-**	**10,376,721**
10 - 15 years	**-**	**400,241**	**3,368,803**	**-**	**3,769,044**
15 - 40 years	**-**	**4,818**	**6,226,865**	**-**	**6,231,683**
Total contractual undiscounted cash flows	**6,350,775**	**15,359,141**	**33,641,457**	**16,015**	**55,367,388**
Total carrying amounts	**6,350,775**	**12,102,008**	**24,842,148**	**16,015**	**43,310,946**

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk (continued)

The tables below analyse the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. As amounts included in the tables are contractual undiscounted cash flows, these amounts may not be reconciled to the amounts disclosed on the statements of financial position for trade and other payables, lease liabilities, borrowings and derivative financial liabilities. (continued)

	2022					
				Gross settled derivative financial liabilities		
	Trade and other payables RM'000	Lease liabilities RM'000	Borrowings RM'000	(Inflow) RM'000	Outflow RM'000	Total RM'000
Group						
Below 1 year	7,424,623	2,755,438	7,504,522	(120,255)	172,521	17,736,849
1 - 2 years	185,234	1,988,993	1,423,622	(120,295)	172,561	3,650,115
2 - 3 years	-	1,765,451	3,855,606	(464,140)	515,466	5,672,383
3 - 4 years	-	1,669,000	3,548,590	(1,395,101)	1,361,555	5,184,044
4 - 5 years	-	1,484,311	1,967,491	(47,478)	73,495	3,477,819
5 - 10 years	-	3,720,982	6,228,953	(2,319,873)	2,236,731	9,866,793
10 - 15 years	-	356,177	3,144,947	-	-	3,501,124
15 - 40 years	-	240,159	6,090,052	-	-	6,330,211
Total contractual undiscounted cash flows	7,609,857	13,980,511	33,763,783	(4,467,142)	4,532,329	55,419,338
Total carrying amounts	7,609,857	10,443,891	25,435,632	-	186,642	43,676,022

Notes to the Financial Statements For the financial year ended 31 December 2023

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk (continued)

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. As amounts included in the tables are contractual undiscounted cash flows, these amounts may not be reconciled to the amounts disclosed on the statements of financial position for other payables, lease liabilities, borrowings and derivative financial liabilities.

	2023				
	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	135,258	345,541	368,720	110,191	959,710
1 - 2 years	-	345,541	313,471	1,887,117	2,546,129
2 - 3 years	-	2,563,324	2,036,810	-	4,600,134
3 - 4 years	-	604,160	197,212	-	801,372
4 - 5 years	-	219,226	197,212	-	416,438
5 - 10 years	-	3,736,082	2,540,935	-	6,277,017
10 - 15 years	-	703,188	648,585	-	1,351,773
15 - 40 years	-	6,226,865	5,546,122	-	11,772,987
Total contractual undiscounted cash flows	135,258	14,743,927	11,849,067	1,997,308	28,725,560
Total carrying amounts	135,258	515,818	8,159,499	1,833,866	10,509,183

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk (continued)

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. As amounts included in the tables are contractual undiscounted cash flows, these amounts may not be reconciled to the amounts disclosed on the statements of financial position for other payables, lease liabilities, borrowings and derivative financial liabilities. (continued)

	2022						
					Gross settled derivative financial liabilities		
	Other payables RM'000	Amounts due to subsidiaries RM'000	Lease liabilities RM'000	Borrowings RM'000	(Inflow) RM'000	Outflow RM'000	Total RM'000
Company							
Below 1 year	142,858	1,095,880	1,881	2,303,207	(14,630)	14,590	3,543,786
1 - 2 years	-	319,991	-	78,790	(14,670)	14,630	398,741
2 - 3 years	-	319,991	-	2,038,390	(358,515)	357,535	2,357,401
3 - 4 years	-	2,139,952	-	-	-	-	2,139,952
4 - 5 years	-	199,374	-	-	-	-	199,374
5 - 10 years	-	2,714,118	-	-	-	-	2,714,118
10 - 15 years	-	648,585	-	-	-	-	648,585
15 - 40 years	-	5,675,839	-	-	-	-	5,675,839
Total contractual undiscounted cash flows	142,858	13,113,730	1,881	4,420,387	(387,815)	386,755	17,677,796
Total carrying amounts	142,858	8,907,870	1,881	4,156,943	-	6,415	13,215,967

As at 31 December 2022, the Company's maximum potential liabilities arising from the borrowings including interest expenses under financial guarantee contracts amounted to RM13,475.9 million.

Notes to the Financial Statements For the financial year ended 31 December 2023

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Capital risk management

The Group's and the Company's objective when managing capital is to safeguard the Group's and the Company's abilities to continue as a going concern while at the same time provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, issue new shares or return capital to shareholders. The Group and the Company 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 500 (S&P) as at 31 December 2023.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratios. This ratio is calculated as total debts over total equity. Total debts including non-current, current borrowings and lease liabilities as shown in the consolidated statement of financial position. Total equity is calculated as 'equity' in the consolidated statement of financial position.

	Note	2023 RM'000	2022 RM'000
Total borrowings	16	**24,842,148**	25,435,632
Lease liabilities	23	**12,102,008**	10,443,891
Total debts		**36,944,156**	35,879,523
Total equity		**28,235,310**	30,680,350
Gearing ratio		**1.31**	1.17

(e) Fair value estimation

The tables below analyse financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identified assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as stock prices, dividend yield and volatility) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs) (Level 3).

The Group measures the financial instruments based on published price quotations (Level 1) and market approach valuation technique (Level 2) with inputs of valuation technique such as interest rates and yield curves observable at commonly quoted intervals; implied volatilities; and credit spreads that are observable direct or indirectly as at reporting date.

There is no transfer between Level 1 and Level 2 during the financial year.

Notes to the Financial Statements For the financial year ended 31 December 2023

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

The following tables represent the fair value level of the assets and liabilities that are measured at fair value as at reporting date.

	2023				2022			
	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	**35**	**-**	**-**	**35**	34	-	-	34
- Unquoted securities	**-**	**-**	**10,842**	**10,842**	-	-	5,758	5,758
- Non-hedging derivatives	**-**	**2,311**	**-**	**2,311**	-	2,311	-	2,311
- Derivatives used for hedging	**-**	**180,866**	**-**	**180,866**	-	38,565	-	38,565
Financial assets at FVTOCI[1]:								
- Equity securities	**-**	**-**	**114,247**	**114,247**	-	-	179,180	179,180
Assets at FVTPL:								
- Trade and other receivables	**-**	**-**	**71,318**	**71,318**	-	-	447,010	447,010
Total assets	**35**	**183,177**	**196,407**	**379,619**	34	40,876	631,948	672,858
Liabilities								
Financial liabilities at FVTPL:								
- Derivatives used for hedging	**-**	**(16,015)**	**-**	**(16,015)**	-	(186,642)	-	(186,642)
Total liabilities	**-**	**(16,015)**	**-**	**(16,015)**	-	(186,642)	-	(186,642)

[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 2023

40. 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			
2023			
Trade receivables	**638,412**	**(220,144)**	**418,268**
Trade payables	**(3,204,935)**	**220,144**	**(2,984,791)**
2022			
Trade receivables	765,575	(188,226)	577,349
Trade payables	(3,570,162)	188,226	(3,381,936)
Company			
2023			
Amount due from subsidiaries	**836,315**	**(205,875)**	**630,440**
Amount due to subsidiaries	**(8,365,374)**	**205,875**	**(8,159,499)**
2022			
Amount due from subsidiaries	2,056,356	(1,210,210)	846,146
Amount due to subsidiaries	(10,118,080)	1,210,210	(8,907,870)

Notes to the Financial Statements For the financial year ended 31 December 2023

41. LIST OF SUBSIDIARIES

The list of subsidiaries of the Group as at 31 December 2023 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 and 16]	96.71	96.71	3.29	Investment holding	Malaysia
Axiata Enterprise Sdn Bhd (formerly known as Axiata Business Services Sdn Bhd)[1]	100.00	100.00	-	Provision of international carrier services and enterprise solutions	Malaysia
Axiata Foundation[1 and 7]	-	-	-	Develop and nurture talent pool and foster, develop and improve education	Malaysia
Axiata Investments (Cambodia) Limited[1]	100.00	100.00	-	Investment holding	Federal Territory Labuan, Malaysia
Axiata Investments (Labuan) Limited[1]	100.00	100.00	-	Investment holding	Federal Territory Labuan, Malaysia
Axiata Investments (Singapore) Limited[1]	100.00	100.00	-	Investment holding	Federal Territory Labuan, Malaysia
Axiata Investments (UK) Limited[2]	100.00	100.00	-	Investment holding	United Kingdom
Axiata Investments 1 (India) Limited[2]	100.00	100.00	-	Investment holding	Mauritius
Axiata SPV1 (Labuan) Limited[1]	100.00	100.00	-	To hold securities and financial instruments on a non-trading basis	Federal Territory Labuan, Malaysia
Axiata SPV2 Berhad[1]	100.00	100.00	-	Financing	Malaysia
Axiata SPV4 Sdn Bhd[1]	100.00	100.00	-	Investment holding	Malaysia
Axiata SPV5 (Labuan) Limited[1]	100.00	100.00	-	To hold securities and financial instruments on a non-trading basis	Federal Territory Labuan, Malaysia
EDOTCO Group Sdn Bhd[1]	63.00	63.00	37.00	Investment holding and provision of technical and operations support services in the telecommunications and related industries in local and/or international markets	Malaysia
Subsidiaries held through Axiata Enterprise Sdn Bhd					
Xpand Investments (Labuan) Limited[1]	-	100.00	-	Investment holding	Federal Territory Labuan, Malaysia
Axiata Global Service Pte Ltd[2]	-	100.00	-	To provide international carrier services, management of partnerships and alliances	Singapore

Notes to the Financial Statements For the financial year ended 31 December 2023

41. LIST OF SUBSIDIARIES (CONTINUED)

The list of subsidiaries of the Group as at 31 December 2023 is as follows: (continued)

Name of company	Ownership interest directly held by the parent (%)	Ownership interest held by the Group (%)	Ownership interest held by NCI (%)	Principal activities	Country and place of incorporation
Subsidiaries held through Axiata Digital Services Sdn Bhd					
Apigate Inc.[3]	-	96.71	3.29	Technology enabler service provider	United States of America
Axiata Digital & Analytics Sdn Bhd[1 and 16]	-	61.38	38.62	Investment holding and provision of multimedia advertising services as well as multimedia advertising sales support services	Malaysia
Boost Holdings Sdn Bhd[1 and 16]	-	75.55	24.45	Investment holding	Malaysia
Subsidiary held through Apigate Inc.					
Apigate (Private) Limited[3, 6 and 16]	-	96.71	3.29	Dormant	Sri Lanka
Subsidiaries held through Axiata Digital & Analytics Sdn Bhd					
ADA Digital Singapore Pte Ltd[2]	-	61.38	38.62	Advertising service provider and investment holding	Singapore
Subsidiaries held through Axiata Digital & Analytics Sdn Bhd and Axiata Digital Services Sdn Bhd					
PT Axiata Digital Analytics Indonesia[2 and 16]	-	61.50	38.50	Provision of digital analytics services	Indonesia
Axiata Digital Bangladesh (Private) Limited[3 and 16]	-	61.39	38.61	Advertising service provider	Bangladesh
Subsidiary held through ADA Digital Singapore Pte Ltd					
AAD Holdings Pte Ltd[2 and 16]	-	61.38	38.62	Investment holding	Singapore
ADA Asia Malaysia Sdn Bhd[1 and 16]	-	61.38	38.62	Provision of multimedia advertising services and creative content, as well as multimedia advertising sales support services	Malaysia
ADA Digital Philippines Inc[2 and 16]	-	61.38	38.62	Provision of technology and software solutions	Philippines
ADA Digital (Thailand) Co., Ltd[2 and 16]	-	61.29	38.71	Provision of IT products and services for online media companies	Thailand
Axiata Digital Analytics Private Limited (formerly known as Dhiomics Analytics Solutions Private Limited)[2 and 15]	-	60.77	39.23	Provision of technology and software solutions	Thailand
Adknowledge Asia Pacific (India) Private Limited[2 and 16]	-	61.38	38.62	Dormant	India
Komli Network Philippines, Inc[2, 10 and 16]	-	61.38	38.62	Dormant	Philippines
PT ADA Asia Indonesia[2 and 16]	-	60.77	39.23	Provision of multimedia advertising services and creative content, as well as multimedia advertising sales support services	Indonesia
ADA Digital Analytics Kabushiki Kaisha[15]	-	61.38	38.62	Dormant	Japan

Notes to the Financial Statements For the financial year ended 31 December 2023

41. LIST OF SUBSIDIARIES (CONTINUED)

The list of subsidiaries of the Group as at 31 December 2023 is as follows: (continued)

Name of company	Ownership interest directly held by the parent (%)	Ownership interest held by the Group (%)	Ownership interest held by NCI (%)	Principal activities	Country and place of incorporation
Subsidiaries held through AAD Holdings Pte Ltd					
AADistribution Phils Inc[2 and 16]	-	61.38	38.62	e-commerce distribution business and rendering solutions for clients	Philippines
AAD Indochina Pte Ltd[2 and 16]	-	61.38	38.62	Investment holding	Singapore
Awake Asia Distribution Pte Ltd[2 and 16]	-	61.38	38.62	Dormant	Singapore
Awake Asia Distribution Sdn Bhd[1 and 16]	-	61.38	38.62	Dormant	Malaysia
PT Awake Asia Distribution Indonesia[2 and 16]	-	61.38	38.62	e-commerce distribution business	Indonesia
Subsidiary held through AAD Indochina Pte Ltd					
Thien An Investment Co., Ltd[1 and 16]	-	61.38	38.62	Provision of retail, consignment and service through e-commerce	Vietnam
Subsidiaries held through Boost Holdings Sdn Bhd					
Axiata Digital Capital Sdn Bhd[1 and 16]	-	75.55	24.45	Provide micro-financing, money lending services, micro-insurance and related services, including related technology services	Malaysia
Axiata Digital eCode Sdn Bhd[1 and 16]	-	75.55	24.45	Conducting e-wallet mobile application and other related services	Malaysia
Boost Bank Berhad (formerly known as Boost Berhad)[3 and 5]	-	45.33	54.67	Digital banking business	Malaysia
Boost Biz Sdn Bhd[1 and 16]	-	75.55	24.45	Dormant	Malaysia
Boost Connect Sdn Bhd (formerly known as Apigate Sdn Bhd)[1 and 16]	-	75.55	24.45	Application programming interface, software and mobile applications	Malaysia
PT Creative Mobile Adventure[2 and 16]	-	51.94	48.06	IT-based platform lending	Indonesia
Subsidiary held through Boost Holdings Sdn Bhd and Axiata Digital eCode Sdn Bhd					
PT Axiata Digital Services Indonesia[2 and 16]	-	75.55	24.45	Provision of digital services	Indonesia
Subsidiary held through Boost Holdings Sdn Bhd and Boost Connect Sdn Bhd					
Apigate India Services Private Ltd[2 and 16]	-	75.55	24.45	Support services	India
Subsidiary held through Axiata Digital Capital Sdn Bhd					
Salvare Assets Berhad[14]	-	-	-	Special purpose vehicle for securitisation programme	Malaysia
Subsidiary held through Axiata Digital Capital Sdn Bhd and PT Axiata Digital Services Indonesia					
PT Axiata Digital Capital Indonesia[2 and 16]	-	75.55	24.45	Provision of service in data processing and management consultation	Indonesia

Notes to the Financial Statements For the financial year ended 31 December 2023

41. LIST OF SUBSIDIARIES (CONTINUED)

The list of subsidiaries of the Group as at 31 December 2023 is as follows: (continued)

Name of company	Ownership interest directly held by the parent (%)	Ownership interest held by the Group (%)	Ownership interest held by NCI (%)	Principal activities	Country and place of incorporation
Subsidiary held through Axiata Investments (Cambodia) Limited					
Axiata (Cambodia) Holdings Limited[1]	-	72.48	27.52	Investment holding	Federal Territory Labuan, Malaysia
Subsidiary held through Axiata (Cambodia) Holdings Limited					
Smart Axiata Co., Ltd[2]	-	72.48	27.52	Mobile telecommunication services	Cambodia
Associate held through Smart Axiata Co., Ltd					
edotco (Cambodia) Co., Ltd[2]	-	14.50	5.50	Telecommunication infrastructure and services	Cambodia
Subsidiaries held through Axiata Investments (Labuan) Limited					
Axiata Digital Labs (Private) Limited[2]	-	100.00	-	Software development and IT enabled services venture of Axiata Group	Sri Lanka
Axiata Investments (Indonesia) Sdn Bhd[1]	-	100.00	-	Investment holding	Malaysia
Axiata Lanka (Private) Limited[2]	-	100.00	-	Property development and letting of property for commercial purposes	Sri Lanka
Dialog Axiata PLC[3]	-	82.27	17.73	Communication services, telecommunication infrastructure services, media and digital services	Sri Lanka
Robi Axiata Limited[3]	-	61.82	38.18	Mobile telecommunication services	Bangladesh
Subsidiary held through Axiata Digital Labs (Private) Limited					
PT Axiata Digital Labs Indonesia[2]	-	100.00	-	Software development and IT enabled services venture of Axiata Group	Indonesia
Subsidiaries held through Axiata Investments (Indonesia) Sdn Bhd					
PT Link Net Tbk[2 and 12]	-	92.83	7.17	Provision of telecommunication by cable, multimedia, internet services, trading, and business management consulting services	Indonesia
PT XL Axiata Tbk[2 and 12]	-	66.53	33.47	Telecommunication services, network and/ or multimedia services provider	Indonesia
Subsidiary held through PT XL Axiata Tbk					
PT Hipernet Indodata[2]	-	33.93	66.07	Managed service provider	Indonesia
Subsidiaries held through PT Link Net Tbk					
Link Net Global Solution Pte Ltd[2]	-	92.83	7.17	Dormant	Singapore
PT First Media Television[2]	-	92.82	7.18	Subscription broadcasting	Indonesia

Notes to the Financial Statements For the financial year ended 31 December 2023

41. LIST OF SUBSIDIARIES (CONTINUED)

The list of subsidiaries of the Group as at 31 December 2023 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 PT Link Net Tbk and PT First Media Television					
PT Infra Solusi Indonesia[2]	-	92.83	7.17	Outsourcing services	Indonesia
Subsidiaries held through Dialog Axiata PLC					
Dialog Broadband Networks (Private) Limited[3]	-	82.27	17.73	Data and backbone, fixed wireless and transmission infrastructure	Sri Lanka
Dialog Business Services (Private) Limited[3]	-	82.27	17.73	Provision of manpower for call centre operations	Sri Lanka
Dialog Device Trading (Private) Limited[3]	-	82.27	17.73	Selling information technology enabled equipment	Sri Lanka
Dialog Finance PLC[3]	-	81.49	18.51	Provision of financial services	Sri Lanka
Digital Holdings Lanka (Private) Limited[3]	-	82.27	17.73	Investment holding company for new business areas of Dialog Group	Sri Lanka
Dialog Network Services (Private) Limited[3]	-	82.27	17.73	Provision of network development, operations and maintenance services	Sri Lanka
Dialog Television (Private) Limited[3]	-	82.27	17.73	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]	-	82.27	17.73	Provision of digital credit facilities	Sri Lanka
H One (Private) Limited[3]	-	82.27	17.73	Provision of software licences	Sri Lanka
Subsidiary held through Digital Holdings Lanka (Private) Limited					
Dialog Axiata Digital Innovation Fund (Private) Limited[3, 8 and 16]	-	76.72	23.28	Venture capital fund	Sri Lanka
Subsidiary held through Digital Holdings Lanka (Private) Limited and Dialog Axiata PLC					
Digital Commerce Lanka (Private) Limited[3]	-	82.27	17.73	e-commerce and digital marketing services	Sri Lanka
Subsidiaries held through Digital Holdings Lanka (Private) Limited and Dialog Axiata Digital Innovation Fund (Private) Limited					
Digital Health (Private) Limited[3 and 8]	-	43.55	56.45	Developing and operating a state-of-the-art electronic commerce infrastructure for the healthcare sector	Sri Lanka
Headstart (Private) Limited[3 and 9]	-	80.17	19.83	Creating and providing e-learning content	Sri Lanka
Subsidiary held through Dialog Television (Private) Limited					
Communiq Broadband Network (Private) Limited[3 and 6]	-	82.27	17.73	Dormant	Sri Lanka

Notes to the Financial Statements For the financial year ended 31 December 2023

41. LIST OF SUBSIDIARIES (CONTINUED)

The list of subsidiaries of the Group as at 31 December 2023 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 Digital Health (Private) Limited					
My Health Solutions (Private) Limited[3 and 8]	-	35.83	64.17	Developing and operating a state-of-the-art electronic commerce infrastructure for the healthcare sector	Sri Lanka
Subsidiaries held through Robi Axiata Limited					
AxEnTec PLC[5]	-	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[5]	-	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
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	To provide a Fintech-driven electronic payment 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	29.60	Telecommunication infrastructure and services	Cambodia

Notes to the Financial Statements For the financial year ended 31 December 2023

41. LIST OF SUBSIDIARIES (CONTINUED)

The list of subsidiaries of the Group as at 31 December 2023 is as follows: (continued)

Name of company	Ownership interest directly held by the parent (%)	Ownership interest held by the Group (%)	Ownership interest held by NCI (%)	Principal activities	Country and place of incorporation
Subsidiaries held through edotco Investments (Labuan) Limited					
edotco Investments Singapore Pte Ltd[2]	-	55.13	44.87	Investment holding	Singapore
edotco Lao Company Limited[4]	-	50.40	49.60	Telecommunication infrastructure and services	Laos
edotco Pakistan (Private) Limited[2]	-	63.00	37.00	Telecommunication infrastructure and services	Pakistan
edotco Services Lanka (Private) Limited[2]	-	63.00	37.00	Provision of end to end Integrated Infrastructure Services	Sri Lanka
edotco Towers (Bangladesh) Limited[3]	-	63.00	37.00	Telecommunication infrastructure and services	Bangladesh
edotco Towers, Inc.[2]	-	63.00	37.00	Telecommunication infrastructure and services	Philippines
Subsidiaries held through edotco Investments Singapore Pte Ltd					
Asian Towers Holdings Private Limited[17]	-	55.13	44.87	Investment holding	Singapore
edotco Myanmar Limited[3]	-	55.13	44.87	Telecommunication infrastructure and services	Myanmar
edotco Urban Infrashare Ltd[3]	-	55.13	44.87	Telecommunications infrastructure and related services	Myanmar
Subsidiary held through edotco Pakistan (Private) Limited					
edotco Towers Pakistan (Private) Limited[2]	-	63.00	37.00	Telecommunication infrastructure and services	Pakistan
Subsidiary held through edotco Malaysia Sdn Bhd 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[1 and 13]	-	63.00	37.00	Provision of field line maintenance business including preventive, corrective maintenance and support services	Malaysia
Touch Mindscape Sdn Bhd[1]	-	63.00	37.00	Telecommunication infrastructure and services	Malaysia
Subsidiary held through Tanjung Digital Sdn Bhd					
Yiked Bina Sdn Bhd[1]	-	50.40	49.60	Telecommunication infrastructure and services	Malaysia
Subsidiaries held through Touch Mindscape Sdn Bhd					
Shahzan Alam Muda Sdn Bhd[1]	-	50.40	49.60	Telecommunication infrastructure and services	Malaysia
Touch Matrix Sdn Bhd[1]	-	63.00	37.00	Telecommunication infrastructure and services	Malaysia
Touch Mindscape (Melaka) Sdn Bhd[1]	-	34.65	65.35	Telecommunication infrastructure and services	Malaysia
Touch Mobile Sdn Bhd[1]	-	63.00	37.00	Other business support service activities	Malaysia
Vista Bumiria Sdn Bhd[15]	-	63.00	37.00	Telecommunication infrastructure and services	Malaysia

Notes to the Financial Statements For the financial year ended 31 December 2023

41. LIST OF SUBSIDIARIES (CONTINUED)

The list of subsidiaries of the Group as at 31 December 2023 is as follows: (continued)

Name of company	Ownership interest directly held by the parent (%)	Ownership interest held by the Group (%)	Ownership interest held by NCI (%)	Principal activities	Country and place of incorporation
Subsidiary held through Axiata Investments 1 (India) Limited					
Axiata Investments 2 (India) Limited[11]	-	100.00	-	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 Incorporated during the financial year.

6 Inactive as at 31 December 2023.

7 In accordance with IC Interpretation 112 “Consolidation - Special Purpose Vehicles”, Axiata Foundation is consolidated in the Group as the substance of the relationship between the Company and the special purpose entity indicates that the entity is controlled by the Company.

8 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.

9 The Group exercises its controlling power via its subsidiary, Dialog.

10 On 31 October 2019, Komli Network Philippines Inc commenced the voluntary liquidation and dissolution.

11 On 17 November 2022, Axiata Investments 2 (India) Limited commenced Members’ voluntary winding up and notification of the completion was received on 19 February 2024 as disclosed in Note 47(d) to the financial statements.

12 Ownership interest in XL is calculated based on issued and paid-up share capital of XL, excluding treasury shares with no voting rights. Based on the total issued and paid-up share capital of XL, including treasury shares, the ownership interest held by the Group and NCI is 66.53% and 33.47%, respectively.

13 Ownership interest in OSS is calculated based on issued and paid-up share capital of OSS, including issued and paid-up share capital held by CIMB Commerce Trustee Berhad (“CIMB Trustee”) for the purpose of establishing the employee benefit trust scheme of OSS (“OSS Scheme”). The subscription and dealings of the employee benefit trust shares (“EBT Shares”) under the Scheme shall be in the manner prescribed by the Board of OSS or OSS Scheme Committee from time to time.

In accordance with MFRS 10 “Consolidated Financial Statements” the Group does not recognise any non-controlling interest in relation to the EBT Shares held by CIMB Trustee as the Group effectively has control over the EBT Shares. Based on the total issued and paid-up share capital of OSS, the ownership interest held by the Group excluding EBT Shares is 49.77% and the ownership interest held by CIMB Trustee in relation to the EBT Shares is 50.23%.

14 In accordance with IC Interpretation 112 “Consolidation - Special Purpose Vehicles”, Salvare Assets Berhad is consolidated in the Group as the substance of the relationship between the Group and the special purpose entity indicates that the entity is controlled by the Group. The entity is a share trustee for the issuance of up to RM300.0 million in nominal value of the medium term notes as disclosed in Note 16(d)(ii) to the financial statements.

15 Acquisitions during the financial year as disclosed in Note 5(a)(ii), Note 5(a)(iii) and Note 5(a)(iv) to the financial statements.

16 Change in ownership interests due to accretions and dilutions during the financial year as disclosed in Note 5(a)(v) and Note 5(a)(vi) to the financial statements.

17 On 29 September 2023, Asian Towers Holdings Private Limited filed an application to have its name struck off and notification of the completion was received on 8 January 2024 as disclosed in Note 47(b) to the financial statements.

Notes to the Financial Statements For the financial year ended 31 December 2023

42. LIST OF ASSOCIATES

The list of associates of the Group as at 31 December is as follows:

Name of company	Ownership interest held by the Group 2023 (%)	2022 (%)	Principal activities	Country and place of incorporation
CelcomDigi Berhad	**33.10**	33.10	Investment holding	Malaysia
Associate held through Dialog Axiata PLC				
Firstsource - Dialog Solutions (Private) Limited	**21.39**	21.39	Dormant	Sri Lanka
Associate held through Digital Broadband Networks (Private) Limited				
Digital Realty (Private) Limited	**28.79**	28.79	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[4]	**21.74**	-	Micro insurance	Cambodia
Pi Pay International Co. Limited	**19.15**	19.15	Investment holding	Hong Kong
SADIF LP[2]	**57.98**	57.98	Venture capital fund	Federal Territory Labuan, Malaysia
Associate held through PT XL Axiata Tbk				
PT Princeton Digital Group Data Centres[3 and 5]	**7.13**	9.86	Rack server rental services	Indonesia

[1] The Group and the Company 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] Acquisition during the financial year as disclosed in Note 5(a)(ix) to the financial statements.

[5] Change in ownership interest due to dilution during the financial year as disclosed in Note 5(a)(x) to the financial statements.

Notes to the Financial Statements For the financial year ended 31 December 2023

43. LIST OF JOINT VENTURES

The list of joint ventures of the Group as at 31 December is as follows:

Name of company	Ownership interest held by the Group 2023 (%)	2022 (%)	Principal activities	Country and place of incorporation
Joint venture held through Axiata SPV4 Sdn Bhd				
Merchantrade Asia Sdn Bhd	**19.00**	19.00	Provision of money services business (remittance business and currency business), communication business and payment business	Malaysia
Joint venture held through PT XL Axiata Tbk				
PT One Indonesia Synergy	**33.27**	33.27	Consultancy services in future network collaboration	Indonesia
Joint venture held through Axiata Digital Services Sdn Bhd				
Trust Axiata Digital Limited[1]	**47.39**	47.31	Mobile financial services	Bangladesh

[1] Change in ownership interests due to accretions as disclosed in Note 5(a)(v) to the financial statements.

44. RELATED PARTY TRANSACTIONS

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

Khazanah Nasional Berhad ("Khazanah") has direct interest of 36.73% in the Company's shares. Khazanah is the sovereign wealth fund of the Government of Malaysia and was incorporated under the Companies Act 2016 on 3 September 1993 as a public limited company.

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

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

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

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

Key management personnel are the persons who have authority and responsibility for planning, directing and controlling the activities of the Group or the Company either directly or indirectly. Key management personnel of the Group and the Company include the Senior Leadership Team who report directly to the Group Chief Executive Officer.

Whenever it exists, related party transactions also include transactions with entities that are controlled, joint ventures or significantly influenced directly by any key management personnel or their close family members.

In addition to related party transactions and balances mentioned elsewhere in the financial statements, set out below are significant related party transactions and balances which were carried out on terms and conditions negotiated amongst the related parties.

Notes to the Financial Statements For the financial year ended 31 December 2023

44. RELATED PARTY TRANSACTIONS (CONTINUED)

		Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
(a)	Sale of goods and services to associates:				
	- Telecommunication services	**20,402**	9,584	**-**	-
	- Information technology services	**41,279**	10,595	**-**	-
	- Lease services	**596,144**	26,746	**-**	-
(b)	Purchase of goods and services from associates:				
	- Leaseline charges, maintenance and others	**(74,464)**	(46,987)	**-**	-
(c)	Intercompany service agreement with subsidiaries:				
	- Technical and management services	**-**	-	**60,123**	67,704
(d)	Interest income on advances to subsidiaries	**-**	-	**23,768**	143,361
(e)	Interest expense on advances from subsidiaries	**-**	-	**(340,918)**	(317,724)
(f)	Interest income on advances to associates	**34,254**	7,032	**34,254**	7,032
(g)	Dividends received from subsidiaries	**-**	-	**558,000**	1,292,766
(h)	Dividends received from an associate	**497,041**	-	**497,041**	-
(i)	Amounts due from subsidiaries:				
	- Repayments from	**-**	-	**347,615**	373,230
	- Advances to	**-**	-	**(188,585)**	(5,217,753)
(j)	Amounts due to subsidiaries:				
	- Advances from	**-**	-	**111,871**	21,844
	- Repayments to	**-**	-	**-**	(11,258)
(k)	Receivable from associates	**54,981**	2,555,096	**-**	2,420,414
(l)	Lease receivable from associates	**64,191**	-	**-**	-
(m)	Payable to associates	**(11,336)**	(24,746)	**-**	(2,004)
(n)	Lease payable to associates	**(107,922)**	(112,063)	**-**	-
(o)	Subsidiary's borrowings with parental financial guarantee	**-**	-	**-**	(659,616)

Notes to the Financial Statements For the financial year ended 31 December 2023

44. RELATED PARTY TRANSACTIONS (CONTINUED)

(p) Key management compensation short term employee benefits:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
- Salaries, allowances and bonus	**38,179**	36,787	**38,179**	36,787
- Contribution to EPF	**1,681**	2,648	**1,681**	2,648
- Estimated money value of benefits	**13**	6	**13**	6
- Other staff benefits	**86**	164	**86**	164
- Share-based compensation expense	**4,695**	3,749	**4,695**	3,749
- Fees and allowances of Non-Executive Directors of the Company ("NEDs")	**3,349**	4,363	**3,349**	4,363
- Estimated money value of benefits of NEDs	**822**	771	**822**	771

Included in key management compensation is the Directors' remuneration of the Company as disclosed in Note 7(e) to the financial statements.

45. DIVIDENDS

	Tax exempt dividend under single tier system					
	2023			2022		
	Type	Per ordinary share Sen	Total RM'000	Type	Per ordinary share Sen	Total RM'000
In respect of financial year ended 31 December:						
- 2021	-	-	-	Interim	5.5	504,724
- 2022*	-	-	-	Interim	5.0	458,862
- 2022*	-	-	-	Interim	4.0	367,090
- 2022	**Interim**	**5.0**	**458,948**	-	-	-
- 2023	**Interim**	**5.0**	**458,954**	-	-	-
			917,902			1,330,676

* The dividends (includes 4.0 sen special dividend) were subsequently paid by the Company on 20 January 2023.

The Board of Directors had, on 22 February 2024, 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 2023 amounting to RM458.9 million.

Notes to the Financial Statements For the financial year ended 31 December 2023

46. PRESENTATION OF CONTINUING AND DISCONTINUED OPERATIONS IN A COMBINED FORMAT

The consolidated profit and loss of the Group for the financial year ended 31 December 2023 and comparative figures of 2022 are re-presented in a combined format of continuing and discontinued operations for reference purposes:

	2023				
		Discontinued operations			
	Continuing operations RM'000	Celcom Group[1] RM'000	Reynolds Group[2] RM'000	EIS Group[3] RM'000	Total RM'000
Revenue	22,002,269	-	1,171,153	316,057	23,489,479
Operating costs:					
- depreciation, impairment and amortisation	(7,199,986)	-	(2,367,712)	(1,002,396)	(10,570,094)
- foreign exchange gains/(losses)	143,947	-	(17,406)	(95,963)	30,578
- domestic interconnect, international outpayment and other direct costs	(2,479,354)	-	(40,219)	(18,188)	(2,537,761)
- marketing, advertising and promotion	(1,774,327)	-	(70,661)	-	(1,844,988)
- other operating costs	(6,128,716)	-	(331,336)	(6,556)	(6,466,608)
- staff costs	(1,719,190)	-	(79,457)	(12,142)	(1,810,789)
- (provision for)/reversal of impairment on financial assets, net	(271,810)	-	1,450	1,301	(269,059)
Other (losses)/gains - net	(5,342)	-	12,778	-	7,436
Other income/(expense) - net	91,067	-	(413,211)	5,480	(316,664)
Gain/(Loss) on disposal of group of subsidiaries - net	-	402,000	(356,429)	-	45,571
	2,658,558	402,000	(2,491,050)	(812,407)	(242,899)
Finance income	248,363	-	22,979	38,807	310,149
Finance costs	(2,287,869)	-	(135,219)	(8,748)	(2,431,836)
Foreign exchange losses on financing activities	(357,443)	-	-	-	(357,443)
	(2,645,312)	-	(135,219)	(8,748)	(2,789,279)
Associates					
- share of results (net of tax)	530,743	-	-	-	530,743
- gain on dilution of equity interest	110	-	-	-	110
Joint ventures					
- share of results (net of tax)	903	-	-	-	903
Profit/(Loss) before taxation	793,365	402,000	(2,603,290)	(782,348)	(2,190,273)
Taxation	(651,168)	-	398,859	(14,576)	(266,885)
Profit/(Loss) for the financial year	142,197	402,000	(2,204,431)	(796,924)	(2,457,158)
Profit/(Loss) for the financial year attributable to:					
- owners of the company	(125,195)	402,000	(1,835,043)	(436,562)	(1,994,800)
- non-controlling interests	267,392	-	(369,388)	(360,362)	(462,358)
	142,197	402,000	(2,204,431)	(796,924)	(2,457,158)

[1] Celcom Group as defined in Note 5(b)(ii) to the financial statements.
[2] Reynolds Group as defined in Note 5(a)(i) to the financial statements.
[3] EIS Group as defined in Note 37 to the financial statements.

Notes to the Financial Statements For the financial year ended 31 December 2023

46. PRESENTATION OF CONTINUING AND DISCONTINUED OPERATIONS IN A COMBINED FORMAT (CONTINUED)

The consolidated profit and loss of the Group for the financial year ended 31 December 2023 and comparative figures of 2022 are re-presented in a combined format of continuing and discontinued operations for reference purposes: (continued)

	2022				
		Discontinued operations			
	Continuing operations RM'000	Celcom Group[1] RM'000	Reynolds Group[2] RM'000	EIS Group[3] RM'000	Total RM'000
Revenue	20,020,280	5,795,919	1,373,855	306,016	27,496,070
Operating costs:					
- depreciation, impairment and amortisation	(7,878,003)	(980,250)	(3,220,598)	(125,121)	(12,203,972)
- foreign exchange (losses)/gains	(388,816)	(1,349)	15,812	704	(373,649)
- domestic interconnect, international outpayment and other direct costs	(2,227,676)	(277,628)	(55,313)	(25,904)	(2,586,521)
- marketing, advertising and promotion	(1,757,810)	(249,898)	(104,361)	(4)	(2,112,073)
- other operating costs	(5,747,014)	(1,923,297)	(401,280)	(4,064)	(8,075,655)
- staff costs	(1,570,643)	(519,240)	(83,052)	(7,602)	(2,180,537)
- (provision for)/reversal of impairment on financial assets, net	(97,223)	11,186	(4,756)	(16,237)	(107,030)
Other gains/(losses) - net	5,348	(4)	22,877	-	28,221
Other (expense)/income - net	(104)	83,929	1,690	(49)	85,466
Gain on disposal of group of subsidiaries - net	-	13,530,081	-	-	13,530,081
	358,339	15,469,449	(2,455,126)	127,739	13,500,401
Finance income	223,805	(16,962)	20,453	11,058	238,354
Finance costs	(1,702,229)	(125,172)	(113,550)	(10,478)	(1,951,429)
Foreign exchange losses on financing activities	(622,879)	-	-	-	(622,879)
	(2,325,108)	(125,172)	(113,550)	(10,478)	(2,574,308)
Associates					
- share of results (net of tax)	(56,817)	15,714	-	-	(41,103)
Joint ventures					
- share of results (net of tax)	(9,709)	-	-	-	(9,709)
(Loss)/Profit before taxation	(1,809,490)	15,343,029	(2,548,223)	128,319	11,113,635
Taxation	(604,860)	(446,740)	(9,169)	(33,452)	(1,094,221)
(Loss)/Profit for the financial year	(2,414,350)	14,896,289	(2,557,392)	94,867	10,019,414
(Loss)/Profit for the financial year attributable to:					
- owners of the company	(2,619,309)	14,883,242	(2,567,195)	54,339	9,751,077
- non-controlling interests	204,959	13,047	9,803	40,528	268,337
	(2,414,350)	14,896,289	(2,557,392)	94,867	10,019,414

1 Celcom Group as defined in Note 5(b)(ii) to the financial statements.
2 Reynolds Group as defined in Note 5(a)(i) to the financial statements.
3 EIS Group as defined in Note 37 to the financial statements.

Notes to the Financial Statements For the financial year ended 31 December 2023

47. EVENTS AFTER REPORTING PERIOD

(a) Approval from Bank Negara Malaysia ("BNM") and Minister of Finance Malaysia ("MOF") for Boost Bank to commence operations as a Digital Bank

BNM had vide its letter dated 8 January 2024 notified Boost Holdings and RHB Bank that BNM is satisfied with the outcome of the operational readiness review of Boost Bank and the MOF has agreed to the issuance of the physical digital banking licence to Boost Bank and for the said licence to take effect on 15 January 2024.

(b) Strike off of Asian Towers Holdings Private Limited ("ATH")

ATH, a subsidiary of edotco Investments Singapore Pte Ltd, 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 the Register with effect 8 January 2024 as published in Final Gazette on even date.

(c) Accretion of equity interest in CMA

CMA, a subsidiary of Boost Holdings, had on 29 January 2024 issued additional 8,971 Series B shares to Boost Holdings and 2,000 Series B shares to PT Monetrans Mitra Indonesia for a total consideration of IDR109,710.0 million (RM32.7 million). Accordingly, the Group's effective shareholding in CMA increased from 51.94% to 57.88%.

(d) Voluntary winding up of Axiata Investments 2 (India) Limited ("AI2")

AI2, a wholly owned subsidiary of the Company held via Axiata Investments 1 (India) Limited 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.

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 53 to 224 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 2023 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 27 March 2024.

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 53 to 224 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 27 March 2024, before me.

PESURUHJAYA SUMPAH
No. PJS: W 904
ROSLI BIN SAAD
1.2.2022 - 31.12.2024
MALAYSIA

COMMISSIONER FOR OATHS

50A-1, Jalan Kemuja
Bangsar Utama,
59000 Kuala Lumpur

Independent Auditors' Report To the Members of Axiata Group Berhad

(Incorporated in Malaysia)
Registration No. 199201010685 (242188-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Axiata Group Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, 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 2023 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 53 to 224.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

Independent Auditors' Report To the Members of Axiata Group Berhad

(Incorporated in Malaysia)
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 matters	How our audit addressed the key audit matters
Goodwill impairment assessment in the Group's financial statements Refer to Note 3(b)(i) – Material accounting policy information – Intangible assets – Goodwill, Note 4(b)(i) – Critical accounting estimates and judgements – Impairment assessment of goodwill and Note 24 – Intangible assets. As at 31 December 2023, the Group's goodwill amounted to RM6,826.3 million were 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". 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. Based on the assessments performed, the carrying amounts of the Pakistan and Myanmar CGUs as at 31 December 2023 exceeded their recoverable amounts and hence, corresponding impairment losses of RM40.5 million and RM140.6 million were recognised during the year for the respective CGUs. We focused on the above as the assumptions made by the Group in determining the recoverable amounts are inherently uncertain, require significant estimates and are sensitive to changes.	We performed the following audit procedures: • 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; • Assessed key assumptions 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 forecasts by comparing prior year forecasts 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 respective CGUs; and • Checked the appropriateness of disclosures in the financial statements. Based on the procedures performed above, we did not identify any material exceptions.

Independent Auditors' Report To the Members of Axiata Group Berhad

(Incorporated in Malaysia)
Registration No. 199201010685 (242188-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
Contingent liabilities Refer to Note 3(n) – Material accounting policy information – Provisions, Note 3(y) – Material accounting policy information – Contingent liabilities and contingent assets, Note 4(a)(ii) – Critical accounting estimates and judgements – Legal, regulatory and taxation claims and disputes across the Group and Note 38(d) – Contingencies and commitments. 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. We considered the measurement of provisions and contingent liability disclosures to be a key audit matter due to the uncertainties surrounding the outcome of ongoing legal, regulatory and taxation claims and disputes and the degree of estimation and judgements needed in assessing the outcomes. Any change in the expected outcome of ongoing legal, regulatory and taxation claims and disputes and in the estimation and judgement applied in assessing the outcomes could materially impact the financial statements of the Group.	We performed the following audit procedures: • Obtained an understanding of management's process to identify new contingent liabilities and provisions and changes in existing contingent liabilities and provisions for 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 replies from them to our enquiries. We considered developments up to the issuance date of our report; and • Assessed the appropriateness of disclosures to the financial statements of the Group. Based on the procedures performed above, we did not identify any material exceptions.
Accuracy of revenue recorded given the complexity of systems Refer to Note 3(q) – Material accounting policy information – Revenue and Note 6 – Revenue. The Group's revenue from contracts with customers of RM20.6 billion during the financial year ended 31 December 2023 comprised primarily mobile services of RM15.0 billion. 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 model 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.	We performed the following audit procedures: • Evaluated the relevant IT systems and the design of controls and tested the operating effectiveness of controls over the: - capturing and recording of revenue transactions; - authorisation of rate changes and the input of this information to the billing systems; and - accuracy of calculation of amounts billed to customers; • Obtained supporting evidence such as customer contracts, invoices and relevant supporting documents to test the accuracy of revenue recognition on a sampling basis; • Read and understood the key terms and conditions of revenue agreements entered into during the financial year and modification to existing contracts, if any, to check the accuracy of revenue recognition; and • Examined material non-standard journal entries adjustments posted to revenue accounts. Based on the procedures performed above, we did not identify any material exceptions.

Independent Auditors' Report To the Members of Axiata Group Berhad

(Incorporated in Malaysia)
Registration No. 199201010685 (242188-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
Classification of investment in edotco Investments Singapore Pte Ltd and its subsidiaries as a disposal group classified as held for sale and discontinued operations, the consequential impairment assessments and related disclosures	
Refer to Note 3(v) – Material accounting policy information – Non-current assets (or disposal groups) classified as held for sale and discontinued operations, Note 4(a)(iii) – Critical accounting estimates and judgements – Classification of assets and liabilities as held for sale and Note 37 - Assets and liabilities of a disposal group classified as held for sale and discontinued operations. The Board of Directors approved EDOTCO Group Sdn Bhd's proposed intention to exit from the infrastructure segment in Myanmar which comprised of edotco Investments Singapore Pte Ltd and its subsidiaries ("EIS Group"), attributed to worsening macroeconomic parameters, business conditions and an active programme to seek buyers has commenced. Management concluded that the conditions under MFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" ("MFRS 5") were met as at 31 December 2023 and classified the associated assets and liabilities as a disposal group held for sale. The financial statements of the Group for the financial year ended 31 December 2023 presented the results and cash flows of the Myanmar CGU as discontinued operations. Consequently, the Group performed an impairment assessment and recognised an impairment loss of RM887.9 million on the Myanmar CGU. The recoverable amount was determined based on fair value less cost to sell. We focused on this area because significant judgement involved in determining the appropriateness of the classification of Myanmar CGU as a disposal group held for sale and discontinued operations and the magnitude of the impairment losses recorded in the Group's financial statements.	We performed the following audit procedures: • Evaluated management's assessment of meeting the conditions of MFRS 5 as at 31 December 2023 for the classification as held for sale and discontinued operations of the Myanmar CGU by reviewing minutes of meeting evidencing approvals by the Board of Directors and the other relevant information provided by management to the Board of Directors; • Assessed the appropriateness of the methodology adopted by management for the impairment assessment in accordance with MFRS 136 "Impairment of Assets" with the assistance of our valuation expert; • Assessed the impairment assessment of the Myanmar CGU performed by management by comparing the recoverable amount to the expected transaction bid price based on supporting document; • Reviewed management's discounted cash flow workings of the Myanmar CGU, including its key assumptions to assess the possible range of recoverable amounts being reasonably represented by the expected transaction bid price; and • Reviewed the appropriateness of disclosures in the Group's financial statements. Based on the procedures performed above, we did not identify any material exceptions.
Subsequent measurement of financial guarantee contracts by the Company	
Refer to Note 3(x) – Material accounting policy information – Financial guarantee contracts, Note 4(b)(viii) – Critical accounting estimates and judgements – Measurement of expected credit loss assessment, Note 8 – Other (losses)/gains – net and Note 20 - Trade and other payables As at 31 December 2023, the Company's financial liabilities in relation to financial guarantee contracts was RM515.8 million, of which RM310.0 million of expected credit losses ("ECL") was recognised during the financial year. The Company measured the financial guarantee contracts based on ECL, which represents the expected payments to reimburse the holder of the guaranteed debt instrument issued by the Company's subsidiaries. We focused on this area because management's measurement of ECL requires significant estimates over the expected credit loss, timing of the cash outflows, forward looking information and probability weighted estimates.	We performed the following audit procedures: • Agreed the contractual repayment dates of the debt instrument issued by the Company's subsidiaries to loan agreements and held discussions with management to understand the settlement plans; • Assessed the key assumptions included in the ECL model, namely on likelihood, quantum and timing of expected payments by the Company to reimburse the holder of the guaranteed debt instrument based on the latest financial position of the subsidiaries; and • Assessed and considered the reasonableness of the forward-looking information included in management's assessment, particularly the foreign exchange rates of the debt instrument issued by the Company's subsidiaries. Based on the procedures performed above, we did not identify any material exceptions.

Independent Auditors' Report To the Members of Axiata Group Berhad

(Incorporated in Malaysia)
Registration No. 199201010685 (242188-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report and the Statement on Risk Management and Internal Control, which we obtained prior to the date of this auditors' report, and Axiata Integrated Annual Report 2023 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) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 41 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PricewaterhouseCoopers PLT

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

NURUL A'IN BINTI ABDUL LATIF
02910/02/2025 J
Chartered Accountant

Kuala Lumpur
27 March 2024

OTHER INFORMATION

Shareholding Statistics As at 31 March 2024

ANALYSIS OF SHAREHOLDINGS

Issued Shares:

- 9,181,917,882 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:

- 24,599

DISTRIBUTION OF SHAREHOLDINGS

(without aggregating the securities from different securities accounts belonging to the same Depositor)

	Shareholders				Shares			
	Malaysian		Foreign		Malaysian		Foreign	
Size of Shareholdings	No.	%	No.	%	No.	%	No.	%
Less than 100	2,348	9.97	24	2.28	45,917	0.00[1]	575	0.00[1]
100 – 1,000	6,144	26.09	105	9.96	4,146,613	0.05	59,898	0.01
1,001 – 10,000	11,942	50.72	215	20.40	43,722,590	0.53	938,541	0.10
10,001 – 100,000	2,668	11.33	236	22.39	71,995,635	0.88	10,859,452	1.10
100, 001 – 459,095,893 (less than 5% of issued shares)	440	1.87	474	44.97	2,598,149,236	31.70	972,807,992	98.80
459,095,894 and above (5% and above of issued shares)	3	0.01	0	0.00	5,479,191,433	66.84	0	0.00
Total	23,545	100.00	1,054	100.00	8,197,251,424	100.00	984,666,458	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	19,113	77.70	117,003,871	1.27
Bank/Finance Companies	57	0.23	2,206,829,869	24.03
Investments Trusts/Foundations/Charities	12	0.05	145,211	0.00[1]
Industrial and Commercial Companies	199	0.81	22,873,644	0.25
Government Agencies/Institutions	12	0.05	3,372,663,556	36.73
Nominees	5,204	21.16	3,462,394,673	37.71
Others	2	0.01	7,058	0.00[1]
Trustee	0	0.00	0	0.00
Total	24,599	100.00	9,181,917,882	100.00

Note:
1 Less than 0.01%

Shareholding Statistics As at 31 March 2024

SUBSTANTIAL SHAREHOLDERS (HOLDING 5% & ABOVE)

(as per Register of Substantial Shareholders)

		Direct Interest		Indirect/ Deemed Interest		Total Interest	
No.	Name	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
1.	Khazanah Nasional Berhad	3,371,238,617	36.72	-	-	3,371,238,617	36.72
2.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	1,662,585,955	18.11	-	-	1,662,585,955	18.11
3.	AmanahRaya Trustees Berhad - Amanah Saham Bumiputera	1,121,403,787	12.21	-	-	1,121,403,787	12.21

DIRECTORS' DIRECT AND INDIRECT INTERESTS IN THE COMPANY AND ITS RELATED CORPORATIONS

The Directors' direct and/or indirect interest in the Company based on the Register of Directors' Shareholdings are as follows:

	Number of Ordinary shares					
	Direct Interest		Indirect Interest		Total Interest	
Interest in the Company	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
Vivek Sood	1,104,100	0.012	-	-	1,104,100	0.012
Dr Hans Wijayasuriya	1,382,673	0.015	-	-	1,382,673[1]	0.015

	PBLTIP/RSA/RSP over number of Ordinary shares					
	Direct Interest		Indirect Interest		Total Interest	
Interest in the Company	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
Vivek Sood - PBLTIP	1,640,850	0.018	-	-	1,640,850	0.018
Dr Hans Wijayasuriya - PBLTIP	171,050	0.002	-	-	171,050	0.002

	Number of Ordinary shares					
	Direct Interest		Indirect Interest		Total Interest	
Interest in Dialog Axiata PLC	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
Dr Hans Wijayasuriya	2,408,470	0.03	-	-	2,408,470	0.03
	-	-	440	0.00	440[2]	0.00[3]

Notes:

1 Shares held under CGS-CIMB Nominees (Asing) Sdn Bhd

2 Shares held through spouse

3 Less than 0.01%

Save as disclosed above, none of the Directors of the Company has any interest direct or indirect in the Company and its related corporations.

Shareholding Statistics As at 31 March 2024

No.	Name	No. of Shares Held	% of Issued Shares
1.	Khazanah Nasional Berhad	3,343,841,357	36.42
2.	AmanahRaya Trustees Berhad *Amanah Saham Bumiputera*	1,121,403,787	12.21
3.	Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board*	1,013,946,289	11.04
4.	Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board (Islamic)*	457,570,925	4.98
5.	Kumpulan Wang Persaraan (Diperbadankan)	313,336,325	3.41
6.	AmanahRaya Trustees Berhad *Amanah Saham Malaysia*	140,228,574	1.53
7.	Citigroup Nominees (Tempatan) Sdn Bhd *Exempt An for AIA Bhd*	124,960,067	1.36
8.	Permodalan Nasional Berhad	119,903,481	1.31
9.	AmanahRaya Trustees Berhad *Amanah Saham Malaysia 2 – Wawasan*	113,172,143	1.23
10.	AmanahRaya Trustees Berhad *Amanah Saham Malaysia 3*	104,820,562	1.14
11.	Lembaga Tabung Haji	100,128,300	1.09
12.	Citigroup Nominees (Tempatan) Sdn Bhd *Urusharta Jamaah Sdn Bhd (1)*	63,400,000	0.69
13.	HSBC Nominees (Asing) Sdn Bhd *JPMCB NA for Vanguard Total International Stock Index Fund*	62,126,835	0.68
14.	Cartaban Nominees (Asing) Sdn Bhd *Exempt An For State Street Bank & Trust Company (West CLT OD67)*	61,762,100	0.67
15.	HSBC Nominees (Asing) Sdn Bhd *JPMCB NA for Vanguard Emerging Markets Stock Index Fund*	60,989,249	0.66
16.	AmanahRaya Trustees Berhad *Amanah Saham Bumiputera 3 – Didik*	46,384,354	0.51
17.	Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board (NOMURA)*	45,508,900	0.50
18.	Citigroup Nominees (Tempatan) Sdn Bhd *Great Eastern Life Assurance (Malaysia) Berhad (Par 1)*	45,196,925	0.49
19.	Maybank Nominees (Tempatan) Sdn Bhd *Maybank Trustees Berhad for Public Ittikal Fund (N14011970240)*	44,500,000	0.48
20.	Maybank Nominees (Tempatan) Sdn Bhd *Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)*	38,375,094	0.42
21.	AmanahRaya Trustees Berhad *Public Islamic Dividend Fund*	34,971,234	0.38
22.	Cartaban Nominees (Tempatan) Sdn Bhd *PAMB for Prulink Equity Fund*	32,728,548	0.36
23.	Citigroup Nominees (Asing) Sdn Bhd *CB Spore GW for Government of Singapore (GIC C)*	30,295,286	0.33
24.	HSBC Nominees (Asing) Sdn Bhd *JPMCB NA For Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II*	30,074,200	0.33
25.	Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board (AHAM AM)*	26,142,571	0.28
26.	Citigroup Nominees (Asing) Sdn Bhd *Exempt An for Citibank New York (Norges Bank 14)*	23,402,000	0.25
27.	Cartaban Nominees (Tempatan) Sdn Bhd *PBTB for Takafulink Dana Ekuiti*	23,114,247	0.25
28.	Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board (CGS CIMB)*	22,947,000	0.25
29.	Citigroup Nominees (Tempatan) Sdn Bhd *Great Eastern Life Assurance (Malaysia) Berhad (Par 3)*	20,519,132	0.22
30.	AmanahRaya Trustees Berhad *Amanah Saham Bumiputera 2*	20,421,573	0.22
TOTAL		**7,686,171,058**	**83.71**

List of Top Ten Properties For the financial year ended 31 December 2023

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 2023 (RM)
1	Office Building - 475, Union Place Colombo 02, Sri Lanka	Freehold building	Telecommunication, operation and network offices and transmission station	9	31.08.2015	-	13,712.5	20,431,322.7
2	Centennial Tower Ground Floor, Jl. Gatot Subroto Kav. 24 & 25, Karet Semanggi, Setiabudi, Indonesia	Freehold building	Office building & data centre	8	27.01.2021	-	934.0	8,643,862.5
3	Centennial Tower 26th Floor, Jl. Gatot Subroto Kav. 24 & 25, Karet Semanggi, Setiabudi, Indonesia	Freehold building	Office building	8	31.07.2021	-	757.0	8,409,461.3
4	Welivita Road, Malabe, Sri Lanka	Freehold land	Transmission stations	-	31.12.2013	163,894.5	15,000.0	7,494,018.2
5	Jl. Bulevar Gajah Mada, Lippo Cyber Park No. 2170, 2172, 2176, 2178, 2180 & 2182, Panunggangan Barat, Cibodas, Indonesia	Freehold building	Office building	28	30.06.2020	-	2,100.0	5,268,481.9
6	No. 24 Foster Lane, Union Place Colombo 02, Sri Lanka	Freehold land and building	Office building	9	30.06.2015	10,481.6	61,266.0	5,649.726.2
7	Jl. Padang No. 21, RT 005/RW0 08, Pasar Manggis, Setiabudi, Indonesia	Freehold building	Office building	19	18.08.2021	-	469.0	4,322,862.5
8	Jl. Kusuma Bangsa No. 106, Tambaksari, Indonesia	Freehold building	Office building & data centre	1	31.01.2020	-	600.0	3,933,600.0
9	Jl. Bulevar Gajah Mada, Lippo Cyber Park No. 2062, 2070 & 2072, Panunggangan Barat, Cibodas, Indonesia	Freehold building	Office building	27	30.07.2021	-	1,925.0	3,780,875.0
10	Jl. Bulevar Gajah Mada, Lippo Cyber Park No. 2005, 2007, 2009, 2038 & 2050, Panunggangan Barat, Cibodas, Indonesia	Freehold building	Office building	27	21.08.2020	-	1,750.0	3,775,011.6

Net Book Value of Land & Buildings For the financial year ended 31 December 2023

Location	Freehold No. of Lots	Freehold Area ('000 sq ft)	Net book value of land RM'000	Net book value of buildings RM'000
1. **Malaysia**				
(a) Selangor	2	59.6	489.7	-
(b) Perak	2	44.2	253.9	-
(c) Johor	6	41.6	350.0	-
2. **Indonesia**	8	8.6	433.8	133,289.7
3. **Sri Lanka**	39	1,027.4	11,277.4	59,231.2
4. **Bangladesh**	264	1,400.3	12,289.9	9,472.8
5. **Cambodia**	-	-	-	7,606.8
Total	**321**	**2,581.7**	**25,094.7**	**209,600.5**

Glossary

3G
Third generation mobile phone technologies covered by the ITU IMT-2000 family

4G
Fourth generation mobile phone technology

5G
5G is the fifth generation technology standard for broadband cellular networks

a2i
Aspire to Innovate

AAP
Axiata Advisory Panel

ABAC
Anti-Bribery and Anti-Corruption

ABIC
Axiata Board Investment Committee

ABMS
Anti-Bribery Management System

ACE
Axiata Certified Experts

ACFC
Axiata Cyber Fusion Centre

ACSC
Australian Cyber Security Centre

ADA
Axiata Digital & Analytics Sdn Bhd

ADIF
Axiata Digital Innovation Fund Sdn Bhd

ADL
Axiata Digital Labs (Private Limited)

AEIB
Axiata Enterprise Investment Board Committee

AFS
Audited Financial Statements

AGA
Axiata Group Analytics

AGIA
Axiata Group Internal Audit

AGM
Annual General Meeting

AI
Artificial Intelligence

AICPA
American Institute of Certified Practising Accountants

AII
Axiata Investments (Indonesia) Sdn Bhd

AIL
Axiata Investments (Labuan) Limited

Airtel
Airtel Bangladesh Limited

AMI
Advanced Metering Infrastructure Solution

APAC
Asia Pacific

API
Application Programming Interface

APIM
API Management

ARPU
Average Monthly Revenue Per User

ASEAN
Association of Southeast Asian Nations

AWS
Amazon Web Services

Axiata
Axiata Group Berhad

Axiata Digital or ADS
Axiata Digital Services Sdn Bhd

Axiata Group
Axiata and its subsidiaries

Axiata SPV2
Axiata SPV2 Berhad

AXP
Axonect Enterprise Enabler

AYTP
Axiata Young Talent Programme

B2B
Business to Business

B2C
Business to Consumer

B2S
Build to Suit

BAC
Board Audit Committee

BAKTI
Telecommunications and Information Accessibility Agency (Indonesia)

BAMS
Branding, Advertising, Marketing Sponsorship

BARC
Board Annual Report Committee

BBF
Bangladesh Brand Forum

BCG
Boston Consulting Group

BCM
Business Continuity Management

BDOSN
Bangladesh Open Source Network

BEE
Board Effectiveness Evaluation

BEEP
Basic Education Equivalency Programme

BNC
Board Nomination Committee

BNM
Bank Negara Malaysia

BNPL
BNPL buy-now-pay-later

BNRC
Board Nomination and Remuneration Committee

BOD or Board
Board of Directors

Boost or Boost Holdings
Boost Holdings Sdn Bhd

BRC
Board Remuneration Committee

BRCC
Board Risk and Compliance Committee

BRT
Business Response Team

BSC
Board Sustainability Committee

BSIF
Bangladesh Safe Internet Forum

BSS
Business Support System

BTS
Base Transceiver Stations

Bursa Securities
Bursa Malaysia Securities Berhad

CAPEX
Capital Expenditure

CB
Collective Brain

CBRD
Capacity Building, Research and Development

CC
Commencement Certificate

CCA
Consumer Credit Act

CCOB
Consumer Credit Oversight Board (CCOB)

CDC
Charge-Discharge Cycling

CDP
Carbon Disclosure Project

CeIO
Certified Integrity Officer

Celcom
Celcom Berhad (formerly known as Celcom Axiata Berhad)

CelcomDigi
elcomDigi Berhad (formerly known as Digi.Com Berhad)

Celcom Networks
Celcom Networks Sdn Bhd

CEO
Chief Executive Officer

CG
Corporate Governance

CIA
Certified Internal Auditor

CICA
The Canadian Institute of Chartered Accountants

CIMA
Chartered Institute of Management Accountants

CIPM
Certified Information Privacy Manager

CMMI
Capability Maturity Model Integration

CMS
Customer Market Share

CMSB
Celcom Mobile Sdn Bhd

CODE
Code of Conduct and Ethics

CPA
Certified Practising Accountant

CSA
Corporate Sustainability Assessment

CSAM
Child Sexual Abuse Material

CSP
Communication Service Provider

CSR
Corporate Social Responsibility

CX
Customer Experience

CXA
Customer Experience Academy

CXO
Chief Experience Officer

CYDIP
Celcom Young Digital Innovators Programme

DBN
Dialog Broadband Networks (Private) Limited

Glossary

DBS
Dialog Business Services

DC
Data Centre

DCB
Direct Carrier Billing

DEI
Diversity, Equity and Inclusion

DevOps
Development and Operations

DEWN
Disaster and Emergency Warning Network

Dialog
Dialog Axiata PLC

DIB
Digital Inclusion Benchmark

DMS
Data Market Share

DnA
DigitalTech and Analytics Academy

DNB
Digital Nasional Berhad

DOCSIS
Data over cable service interface specification

DPO
Data Privacy Officer

DPR
Dividend Payout Ratio

DPS
Dividend Per Share

DRS
Dividend Reinvestment Scheme

DS
Digital Services

DT&R
Digital Trust and Resilience

DTE
Digital Telco Enabler

DTH
Direct to Home

DTI
Dialog Telecommunications Infrastructure

DTM
Digitised Telco Mode

DTV
Dialog Television (Private) Limited

EaaS
Enabled Energy-as-a-Service

EBIT
Earnings Before Interest and Taxes

EBITDA
Earnings Before Interest, Taxes, Depreciation and Amortisation

ECH
Entertainment and Corporate Hospitality

ED
Executive Director

EDGE
Enhanced Data rates for GSM Evolution

EDOTCO
EDOTCO Group Sdn Bhd

EDOTCO Bangladesh
EDOTCO Bangladesh Co Ltd

EDOTCO Malaysia
EDOTCO Malaysia Sdn Bhd

EES
Employee Engagement Survey

eKYC
e-Know Your Customer

e-money
electronic money

e-wallet
Digital wallet

EPF
Employees Provident Fund of Malaysia

EPS
Earning Per Share

ERM
Enterprise Risk Management

ESG
Environmental, Social and Governance

EV
Enterprise Value

EWG
Empowered Working Group

F&P Policy
Fit & Proper Policy

FBA
Finance and Business Academy

FBB
fixed broadband

FBMKLCI
FTSE Bursa Malaysia KLCI

FC
Financial Capital

FCF
Free Cash Flow

FDI
Foreign Direct Investment

FibreCo
Fibre Company (fiber infrastructure player)

FIRST
Forum of Incident Response and Security Teams

FMC
fixed mobile convergence

Forex
Foreign Exchange

FTG
Full-time Generator

FTSE
Financial Times Stock Exchange

FTTH
Fibre to-the-Home

FWA
Fixed Wireless Access

FY19/FY2019
Financial year ended 31 December 2019

FY20/FY2020
Financial year ended 31 December 2020

FY21/FY2021
Financial year ended 31 December 2021

FY22/FY2022
Financial year ended 31 December 2022

FY23/FY2023
Financial year ended 31 December 2023

GAFS
Governance and Audited Financial Statements Report

GAP
Group AXcelerator Programme

GB
Gigabyte

GBI
Green Building Index

GCEO and Managing Director
Group Chief Executive Officer and Managing Director

GCFO
Group Chief Financial Officer

GCIA
Group Chief Internal Auditor

GDP
Gross Domestic Product

GDS
Gifts, Donations and Sponsorships

GHG
Greenhouse Gas

GJ
Gigajoule

GLIC
Government-Linked Investment Company

GLOMO
Global Mobile

GPRS
General Packet Radio Service

GRI
Global Reporting Initiative

GSM
Global System for Mobile Communications

GSMA
The GSM Association

GSOC
Group Security Operations Centre

GTV
Gross Transaction Value

HBB
Home Broadband

HC
Human Capital

HFC
Hybrid Fibre Coaxial

HoldCo
Holding Company

HR
Human Resource

Hypernet
PT Hipernet Indodata

IA
Internal Audit

IAR
Integrated Annual Report

IC
Intellectual Capital

ICAB
Institute of Chartered Accountants of Bangladesh

ICDM
Institute of Corporate Directors Malaysia

ICT
Information and Communications Technology

IDS
Intrusion Detection System

IFRS
International Financial Reporting Standards

IGU
Integrity and Governance Unit

IIRC
International Integrated Reporting Council

ILD
International Long Distance

INED
Independent Non-Executive Director

Glossary

InfraCo
Infranet Company

IoT
Internet of Things

IPO
Initial Public Offering

IPTV
Internet Protocol Television

IR 4.0
Industrial Revolution 4.0

IRR
Internal Rate of Return

ISP
Internet Services Protocol

ITU
International Telecommunication Union

JENDELA
Jalinan Digital Negara

Khazanah
Khazanah Nasional Berhad

KLCI
Kuala Lumpur Composite Index

KPI
Key Performance Indicator

LEAP
Learn, Engage, Accelerate and Perform

Link Net
PT Link Net Tbk

LMA
Leadership and Management Academy

LOA
Limits of Authority

LRP
Long Range Plan

LTE
Long Term Evolution

LTIFR
Lost Time Injury Frequency Rate

LTIP
Long-term Incentive Plan

M&A
Mergers and acquisitions

M.A.D
Modern, Agile and Digital

MACC
Malaysia Anti-Corruption Commission

Main LR
Main Market Listing Requirements of Bursa Securities

MarTech
Marketing Technology

MAU
Monthly Active Users

MBB
Mobile Broadband

MBSS
Minimum Baseline Security Standards

MC
Manufactured Capital

MCCG 2021
Malaysian Code on Corporate Governance 2021

MCMC
Malaysian Communications and Multimedia Commission

MCS
Mission Critical Communication Solutions

MDEC
Malaysia Digital Economy Corporation

MFRS
Malaysian Financial Reporting Standards

ML
Machine Learning

MNO
Mobile Network Operator

MoU
Memorandum of Understanding

MPTC
Ministry of Post and Telecommunication

MRCB
Malaysian Resources Corporation Berhad

MSCI
Morgan Stanley Capital International

MSME
Micro-SME

MSOSH
Malaysian Society for Occupational Safety and Health

MSWG
Minority Shareholders Watch Group

MTCP
Malaysia Technical Cooperation Programme

MTO
Mandatory Tender Offer

MTTR
Mean Time To Resolve

MW
Microwave Link

NC
Natural Capital

Ncell
Ncell Axiata Limited

NCI
Non-controlling Interests

NEC
Non-Executive Chairman

NED
Non-Executive Director

NGSF
Next Generation Signaling Firewall

NINED
Non-Independent Non-Executive Director

NIST
National Institute of Standards and Technology

NPS
Net Promoter Score

NSA
Non-Stand Alone [5G network]

NTA
Nepal Telecommunications Authority

NTC
National Tower Companies

O&M
operations and maintenance

OBIC
OpCo Board Investment Committee

OCFC
Operating Free Cash Flow

ODA
Open Digital Architecture

OJK
Otoritas Jasa Keuangan. the Financial Services Authority in Indonesia

OpCo
Operating Company

Open RAN
Open Radio Access Networks

OPEX
Operating Expenditure

OSHE
Occupational Safety, Health and Environment

OSS
Operations Support System

OTT
Over-The-Top

PAT
Profit after Tax

PATAMI
Profits after Tax and Minority Interest

PayLater
Offer consumer device financing

PBLTIP
Performance Based Long Term Incentive Plan

PBT
Profit before Tax

PCI-DSS
Payment Card Industry - Data Security Standard

PDP
Personal Data Protection Policy Or Personal Data Protection Act

PII
Personally Identifiable Information

PLC
Programmable Logic Controller

PLDT
Philippine Long Distance Telephone

PMA
Product Management Academy

PNB
Permodalan Nasional Berhad

POC
Proof of Concept

PPA
purchase price allocations

PPE
Personal protective equipment

QoS
Quality of Service

RAN
Radio Access Network

Robi
Robi Axiata Limited

ROG
Republic of Gamers

ROI
Return on Investment

RPV
Remote Participation and Voting

RRPT
Recurrent Related Party Transaction

RCMC
Risk and Compliance Management Committee

RMS
Revenue Market Share

rNPS
relationship Net Promoter Score

r-ventures
Robi Ventures

ROIC
Return on Invested Capital

Glossary

ROU
Right of Use Assets

RPT
Related Party Transaction

RSP
Regular Stock Purchase

SA
Stand Alone [5G network]

SaaS
Security as a Service

SADIF
Smart Axiata Digital Innovation Fund

SAFA
South Asian Federation of Accountants

Salvare
Salvare Assets Berhad

SASB
Sustainability Accounting Standards Board

SBTi
Science Based Targets Initiative

SC
Securities Commission

SCA
Single Customer App

SINED
Senior Independent Non-Executive Director

SLESA
Sri Lanka eSports

SLT
Senior Leadership Team

Smart
Smart Axiata Co., Ltd

Smart Pay
Smart Pay Limited

SME
Small and Medium Size Enterprise

SMS
Short Message Service

SNCR
Sustainability & National Contribution Report

SON
Self-Optimised Network

SORMIC
Statement on Risk Management and Internal Control

SPA
Sale and Purchase Agreement

SPV
Special Purpose Vehicle

SRA
Single Retailer App

SRC
Social and Relationship Capital

SSCL
Social Security Contribution Levy

STEM
Science, Technology, Engineering and Mathematics

STG
Standby Generator

STI
Science, Technology and Innovation

STIP
Short Term Incentive Plan

SUP
Single-use plastic

T.R.U.S.T
Transparent, Rights, Use, Security and Transfer

TCFD
Task Force on Climate-related Financial Disclosures

TechCo
Technology Company

Telco
Telecommunication Company

Telenor Asia
Telenor Asia Pte Ltd

TiP
Telecom Infrastructure Provider

TM Group
Telekom Malaysia Berhad

ToR
Terms of Reference

TowerCo
Tower Company

TRC
Telecommunication Regulator of Cambodia

TRCSL
Telecommunications Regulatory Commission of Sri Lanka

TRICOR
Tricor Group

TSR
Total Shareholder Return

TTP
Telecom Tower Provider

UI.EP
Uncompromising Integrity and Exceptional Performance

UN (WEP)
UN Women's Empowerment Principles

UN SDG
United Nations Sustainable Development Goals

UNDP
United Nations Development Programme

UNGCMYB
United Nations Global Compact Network Malaysia & Brunei

USO
Universal Service Obligation

USP
Universal Service Provision

VAS
Value Added Services

VCM
voluntary carbon markets

VOC
Voice of Customer

VoLTE
Voice over LTE

VoWIFI
Voice over WiFi

VUCA
Volatility Uncertainty Complexity Ambiguous

WACC
Weighted Average Cost of Capital

WAF
Web Application Firewall

WB SOP
Whistleblowing Standard Operating Procedures

WFH
Work-From-Home

WiFi
Wireless Fidelity

WIM
Women Institute of Management

WIO
Work in Office

WoW
Ways of Working Academy

XL
PT XL Axiata Tbk

YoY
Year on Year

YTD
YTD Year to Date

Summary of average and closing rates used for FY2022 and FY2023 are as follows:

FY2022

Local Currency:	Average	Closing
1 BDT: RM	0.047212	0.042699
1 INR: RM	0.055983	0.053053
1 LKR: RM	0.014123	0.011994
1 THB: RM	0.125614	0.127200
1 USD: RM	4.397439	4.390000
1 SGD: RM	3.189980	3.274000
1 IDR: RM	0.000296	0.000282
1 PKR: RM	0.021676	0.019365

FY2023

Local Currency:	Average	Closing
1 BDT: RM	0.042248	0.041780
1 INR: RM	0.055194	0.055185
1 LKR: RM	0.013973	0.014205
1 THB: RM	0.131014	0.134309
1 USD: RM	4.558479	4.590000
1 SGD: RM	3.393948	3.478700
1 IDR: RM	0.000299	0.000298
1 PKR: RM	0.016390	0.016460
1 NPR: RM	0.034495	0.034491
1 PHP: RM	0.081957	0.082882

axiata