YOUR NEXT IS NOW

TM

Integrated Annual Report 2022

Financial Statements

OUR FINANCIALS

TM is driven by our commitment to delivering value and empowering our stakeholders.

Our dedication to progress has enabled us to overcome challenges as we accelerate towards a brighter tomorrow for all.

On the macro scale, this will support collaboration, spark change and encourage growth nationwide and throughout ASEAN.

WHAT'S INSIDE

Financial Calendar

25 FEB 2022

Announcement of the unaudited consolidated results and declaration of a final interim single-tier dividend of 6.0 sen per share for the financial year ended 31 December 2021.

15 MAR 2022

Date of entitlement of the final interim single-tier dividend of 6.0 sen per share for the financial year ended 31 December 2021.

28 SEP 2022

Notice of election in relation to the DRS. The scheme provides the shareholders with the option to elect to reinvest their cash dividend in new ordinary shares of TM.

21 OCT 2022

Date of payment of the interim single-tier dividend of 9.0 sen per share for the financial year ended 31 December 2022.

25 OCT 2022

Additional listing of 33,342,157 new ordinary shares pursuant to the DRS.

22 NOV 2022

Announcement of the unaudited consolidated results for the 3rd quarter ended 30 September 2022.

28 FEB 2023

Announcement of the unaudited consolidated results and declaration of a final interim single-tier dividend of 7.5 sen per share for the financial year ended 31 December 2022.

16 MAR 2023

Date of entitlement of the final interim single-tier dividend of 7.5 sen per share for the financial year ended 31 December 2022.

31 MAR 2022

Date of payment of the final interim single-tier dividend of 6.0 sen per share for the financial year ended 31 December 2021.

25 APR 2022

Issuance of the 37th AGM Notice, digital Integrated Annual Report 2021 and Circular to Shareholders.

25 MAY 2022

37th AGM of the Company.

25 MAY 2022

Announcement of the unaudited consolidated results for the 1st quarter ended 31 March 2022.

24 AUG 2022

Announcement of the unaudited consolidated results for the 2nd quarter ended 30 June 2022 and declaration of an interim single-tier dividend of 9.0 sen per share for the financial year ended 31 December 2022, of which Dividend Reinvestment Scheme (DRS) was applied.

26 SEP 2022

Date of entitlement of the interim single-tier dividend of 9.0 sen per share for the financial year ended 31 December 2022, of which DRS was applied.

31 MAR 2023

Date of payment of the final interim single-tier dividend of 7.5 sen per share for the financial year ended 31 December 2022.

26 APR 2023

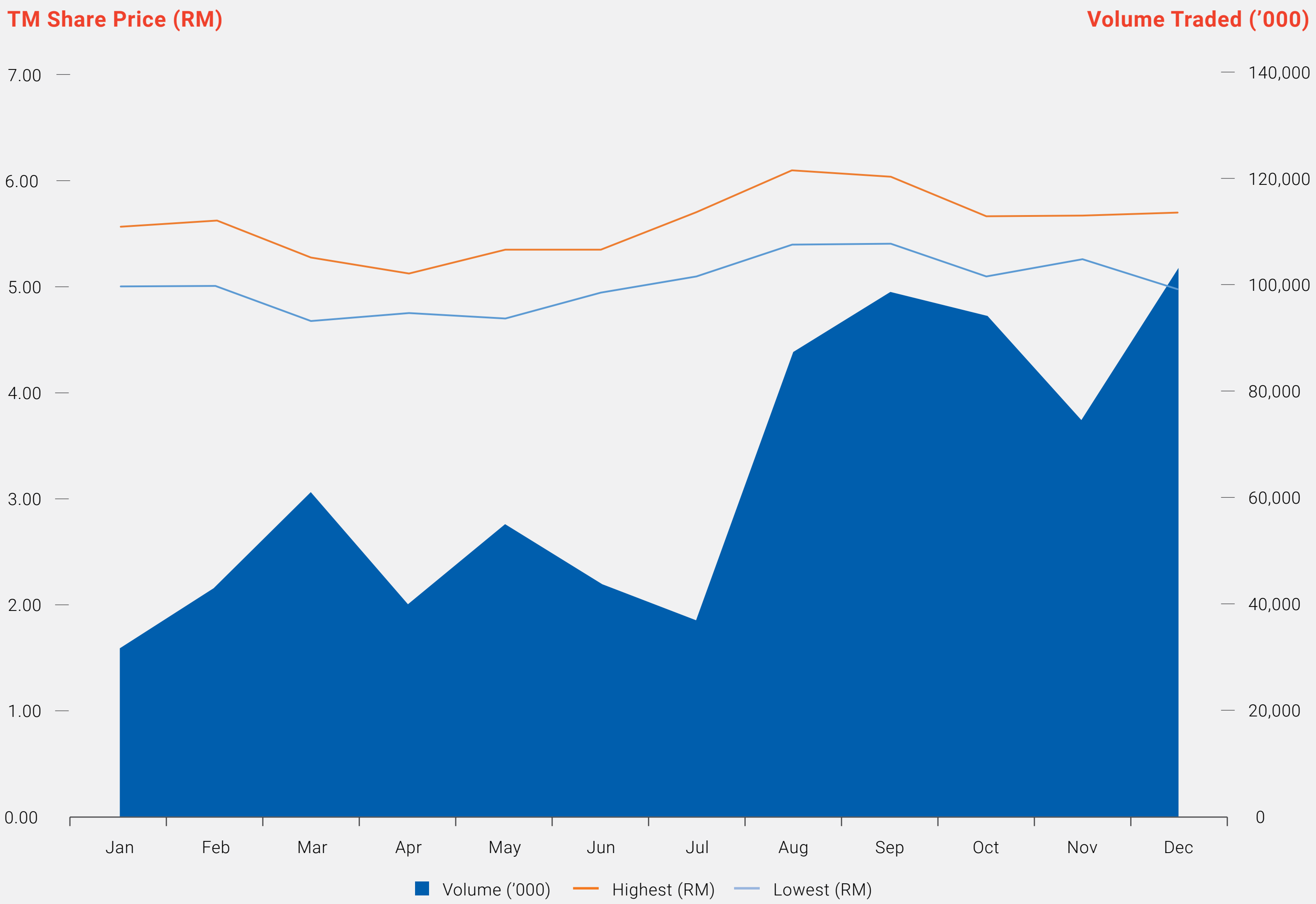
Issuance of the 38th AGM Notice, digital Integrated Annual Report 2022 and Circular to Shareholders.

25 MAY 2023

38th AGM of the Company.

SHARE PERFORMANCE

TM SHARE PRICE & VOLUME TRADED

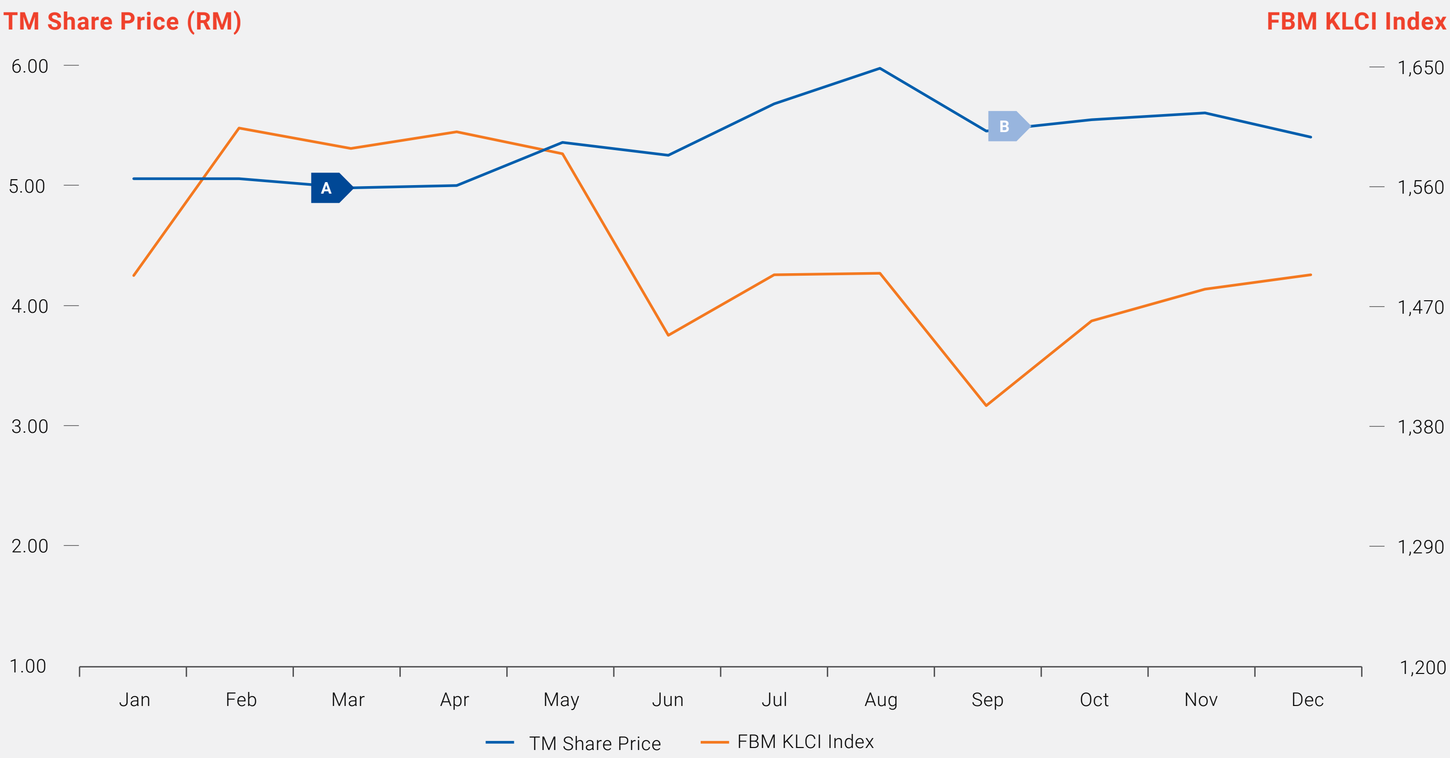


YEAR 2022

Month	Volume Traded	Highest (RM)	Lowest (RM)
January	31,657,600	5.55	5.01
February	43,307,700	5.61	5.03
March	60,728,700	5.22	4.68
April	40,093,700	5.12	4.75
May	55,254,800	5.36	4.70
June	43,474,200	5.36	4.94
July	37,248,300	5.70	5.10
August	87,426,100	6.10	5.41
September	98,490,400	6.04	5.42
October	93,737,800	5.67	5.10
November	74,387,400	5.68	5.27
December	103,216,500	5.70	4.97

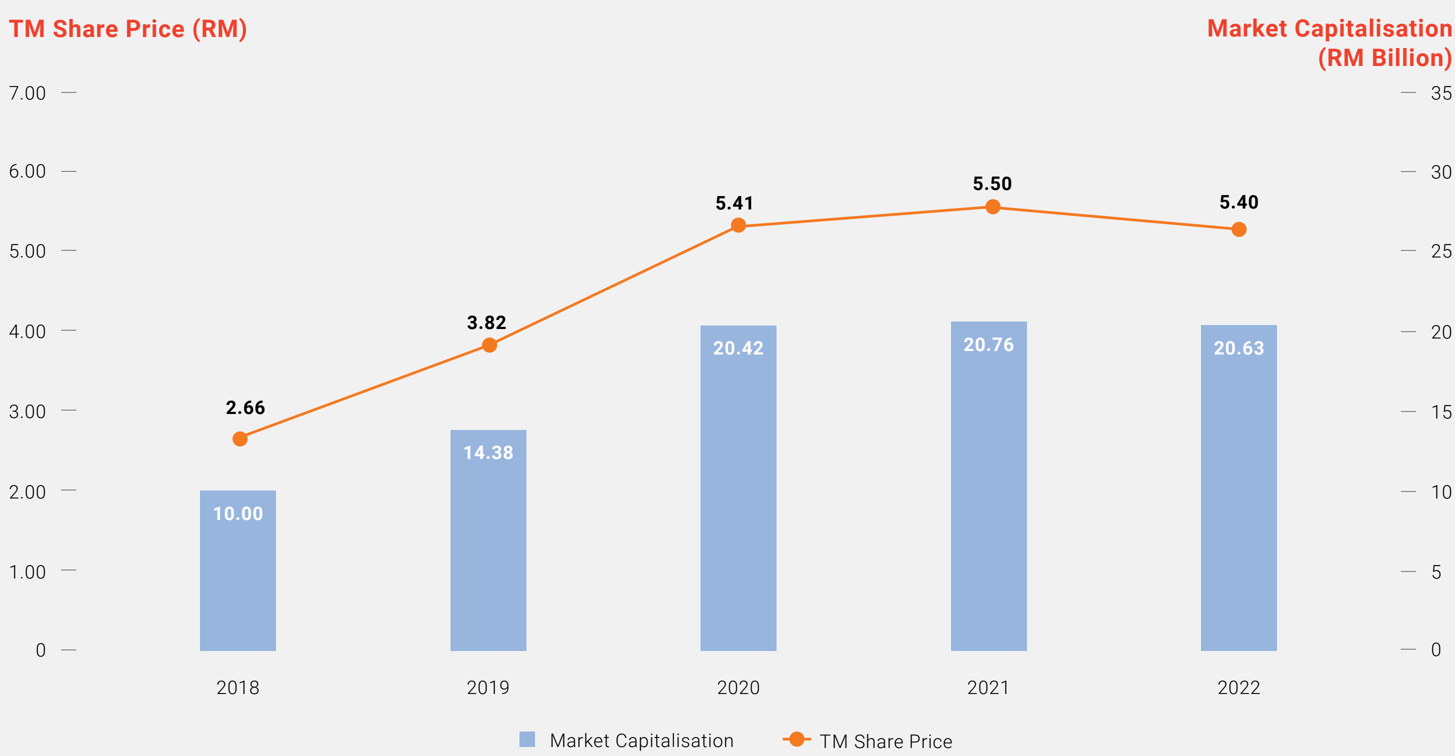
SHARE PERFORMANCE

TM SHARE PRICE VS FBM KLCI INDEX 2022



			Entitlement Date:	Payment Date:
A	Final Interim Dividend FY2021	6.0 sen per share	15 Mar 2022	31 Mar 2022
B	Interim Dividend FY2022	9.0 sen per share	26 Sep 2022	21 Oct 2022

TM SHARE PRICE & MARKET CAPITALISATION



* TM share price is based on month-end closing price

GROUP FINANCIAL HIGHLIGHTS

In RM Million	2022	2021	2020	2019	2018
OPERATING RESULTS					
Operating revenue	**12,118.1**	11,529.0	10,840.3	11,434.2	11,819.3
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**4,953.1**	4,344.8	3,888.6	4,022.6	3,469.4
Earnings before interest and tax (EBIT)	**2,090.2**	1,710.1	1,604.7	1,568.3	64.6
Profit before tax and zakat	**1,686.5**	1,246.8	1,278.5	925.1	17.4
Profit/(Loss) for the financial year	**1,144.2**	877.9	996.0	557.4	(260.5)
Profit attributable to equity holders of the Company (PATAMI)	**1,143.3**	895.2	1,016.0	632.7	153.2
KEY DATA OF FINANCIAL POSITION					
Total shareholders' equity	**7,936.5**	7,502.5	7,124.6	7,353.3	7,525.2
Total assets	**23,131.3**	22,831.1	24,278.5	25,599.7	23,704.5
Total borrowings	**5,269.3**	5,720.0	7,626.8	8,733.1	8,571.3
Lease liabilities*	**1,774.5**	1,883.7	1,907.6	1,914.9	-
SHARE INFORMATION					
Per share					
Earnings (basic)	**30.2 sen**	23.7 sen	27.0 sen	16.8 sen	4.1 sen
Gross dividend	**16.5 sen**	13.0 sen	14.3 sen	10.0 sen	2.0 sen
Net assets	**207.7 sen**	198.8 sen	188.8 sen	195.3 sen	200.3 sen
Share price information					
High	**RM6.10**	RM6.82	RM5.59	RM4.68	RM6.22
Low	**RM4.68**	RM5.16	RM3.09	RM2.57	RM2.11
FINANCIAL RATIOS^					
Return on shareholders' equity (ROE)	**14.8%**	12.2%	14.0%	8.5%	2.0%
Return on total assets	**5.0%**	3.8%	4.1%	2.6%	0.6%
Return on invested capital (ROIC)	**10.8%**	9.0%	8.4%	8.0%	0.3%
Debt equity ratio*	**0.9**	1.0	1.3	1.4	1.1
Dividend cover	**1.8**	1.8	1.9	1.7	2.0

* The Group applied simplified modified retrospective transition approach upon initial application of MFRS 16 on 1 January 2019 and therefore the comparative information was not restated. The debt equity ratio is calculated based on balances at the respective financial year end.

^ Financial ratios disclosed here are based on reported numbers.

GROUP FINANCIAL HIGHLIGHTS

OPERATING REVENUE
(RM Million)

2022	**12,118.1**
2021	11,529.0
2020	10,840.3
2019	11,434.2
2018	11,819.3

TOTAL SHAREHOLDERS' EQUITY
(RM Million)

2022	**7,936.5**
2021	7,502.5
2020	7,124.6
2019	7,353.3
2018	7,525.2

EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)
(RM Million)

2022	**4,953.1**
2021	4,344.8
2020	3,888.6
2019	4,022.6
2018	3,469.4

TOTAL ASSETS
(RM Million)

2022	**23,131.3**
2021	22,831.1
2020	24,278.5
2019	25,599.7
2018	23,704.5

EARNINGS BEFORE INTEREST AND TAX (EBIT)
(RM Million)

2022	**2,090.2**
2021	1,710.1
2020	1,604.7
2019	1,568.3
2018	64.6

TOTAL BORROWINGS
(RM Million)

2022	**5,269.3**
2021	5,720.0
2020	7,626.8
2019	8,733.1
2018	8,571.3

PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (PATAMI)
(RM Million)

2022	**1,143.3**
2021	895.2
2020	1,016.0
2019	632.7
2018	153.2

RETURN ON INVESTED CAPITAL (ROIC)
(%)

2022	**10.8**
2021	9.0
2020	8.4
2019	8.0
2018	0.3

RETURN ON SHAREHOLDERS' EQUITY (ROE)
(%)

2022	**14.8**
2021	12.2
2020	14.0
2019	8.5
2018	2.0

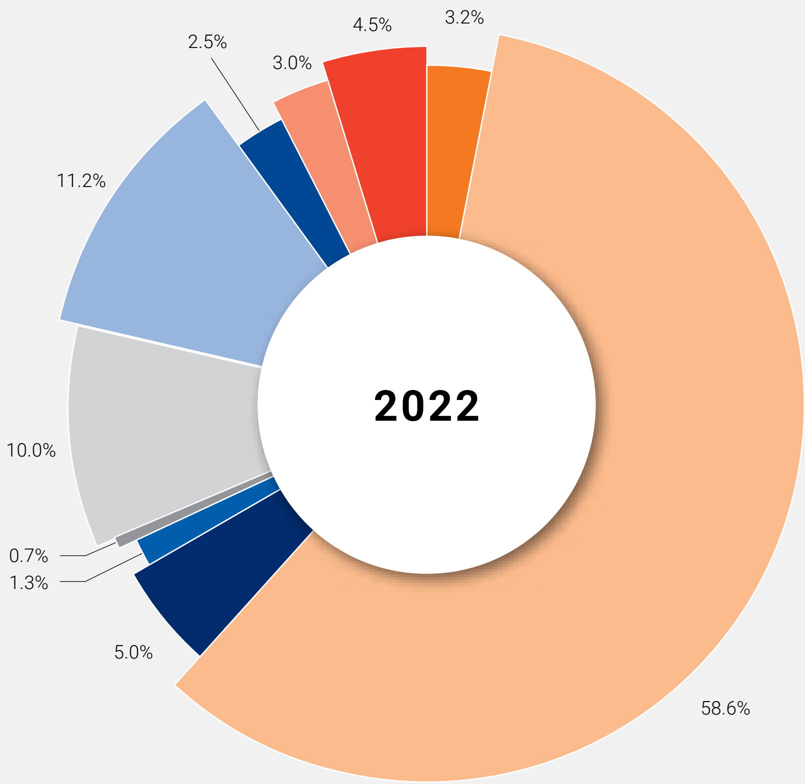
DEBT EQUITY RATIO

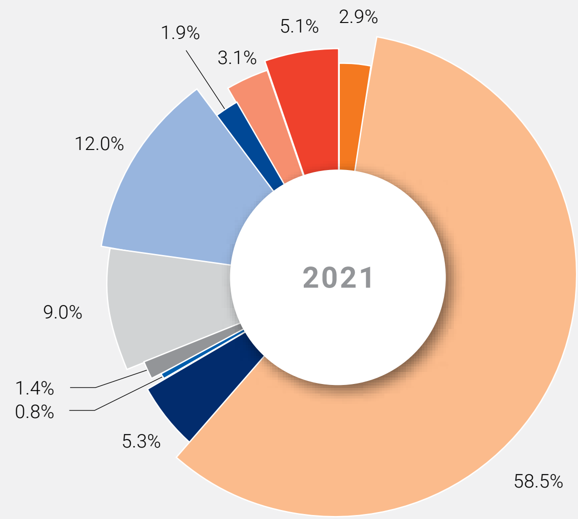
2022	**0.9**
2021	1.0
2020	1.3
2019	1.4
2018	1.1

SIMPLIFIED GROUP STATEMENT OF FINANCIAL POSITION & SEGMENTAL ANALYSIS

TOTAL ASSETS

	2022 RM Million	2021 RM Million
Intangible assets	**745.8**	665.4
Property, plant and equipment	**13,547.0**	13,356.1
Right-of-use assets	**1,153.7**	1,208.2
Inventories	**305.4**	176.9
Investments at fair value through profit or loss (FVTPL)	**166.7**	318.5
Trade and other receivables	**2,312.3**	2,050.8
Cash and bank balances	**2,579.4**	2,733.8
Other non-current receivables	**574.3**	441.1
Contract assets	**702.4**	719.6
Other assets	**1,044.3**	1,160.7
Total Assets	**23,131.3**	22,831.1



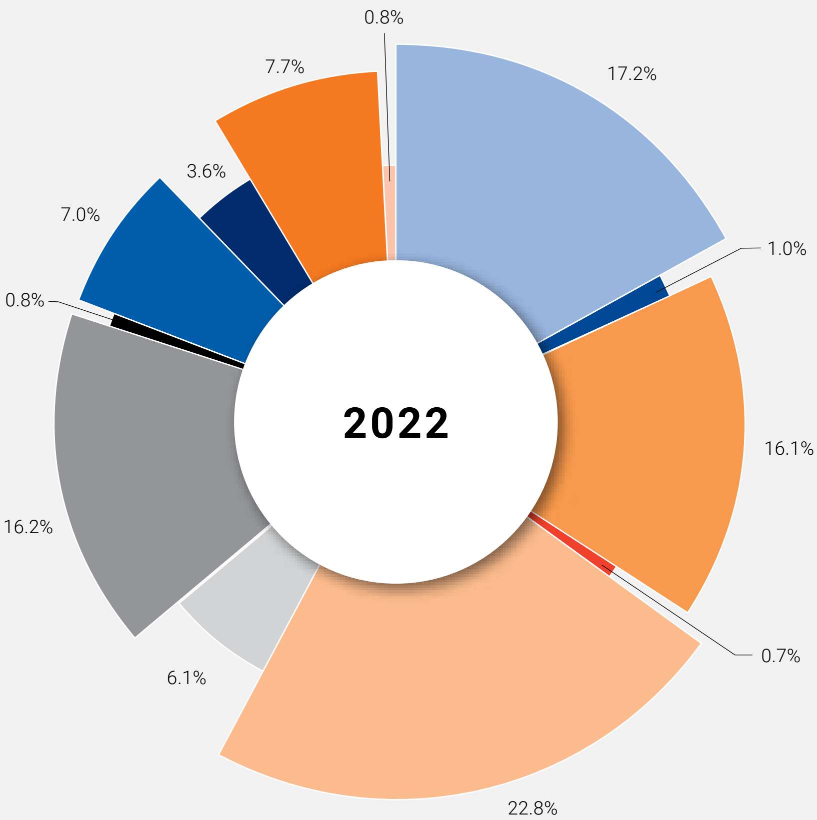


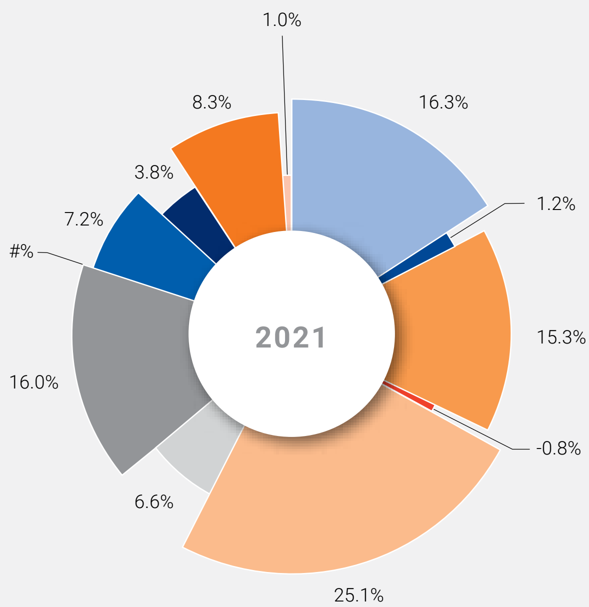
- Intangible assets
- Property, plant and equipment
- Right-of-use assets
- Inventories
- Investments at fair value through profit or loss (FVTPL)
- Trade and other receivables
- Cash and bank balances
- Other non-current receivables
- Contract assets
- Other assets

SIMPLIFIED GROUP STATEMENT OF FINANCIAL POSITION & SEGMENTAL ANALYSIS

TOTAL LIABILITIES & SHAREHOLDERS' EQUITY

	2022 RM Million	2021 RM Million
Share capital	**3,986.5**	3,729.0
Other reserves	**220.0**	283.2
Retained profits	**3,730.0**	3,490.3
Non-controlling interests	**152.6**	(174.6)
Borrowings	**5,269.3**	5,720.0
Deferred tax liabilities	**1,425.8**	1,499.0
Trade and other payables	**3,742.6**	3,658.0
Tax and zakat	**177.7**	9.3
Deferred income	**1,630.7**	1,649.8
Contract liabilities	**839.0**	857.4
Lease liabilities	**1,774.5**	1,883.7
Others	**182.6**	226.0
Total Liabilities & Shareholders' Equity	**23,131.3**	22,831.1





Less than 0.1%

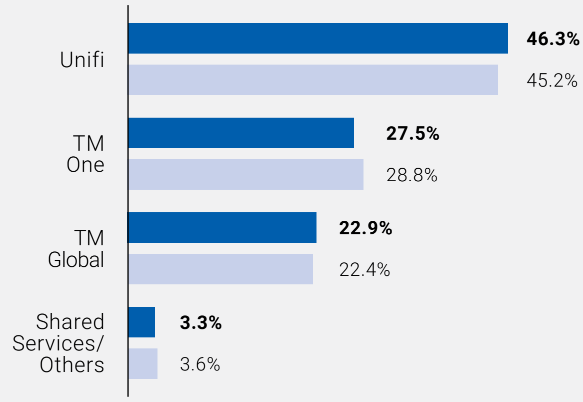
- Share capital
- Other reserves
- Retained profits
- Non-controlling interests
- Borrowings
- Deferred tax liabilities
- Trade and other payables
- Tax and zakat
- Deferred income
- Contract liabilities
- Lease liabilities
- Others

SIMPLIFIED GROUP STATEMENT OF FINANCIAL POSITION & SEGMENTAL ANALYSIS

SEGMENT OPERATING REVENUE@

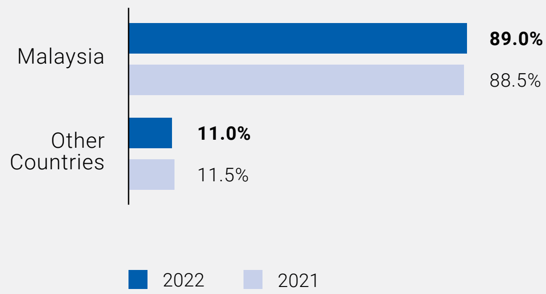
for the financial year ended 31 December

By Business	RM Million 2022	RM Million 2021
Unifi	**5,610.8**	5,217.3
TM One	**3,335.9**	3,319.5
TM Global	**2,778.6**	2,578.1
Shared Services/Others	**392.8**	414.1
Total	**12,118.1**	11,529.0



By Geographical Location	RM Million 2022	RM Million 2021
Malaysia	**10,786.0**	10,205.5
Other Countries	**1,332.1**	1,323.5
Total	**12,118.1**	11,529.0

@ Net of inter-segment revenue eliminations as disclosed in note 46 to the audited financial statements.

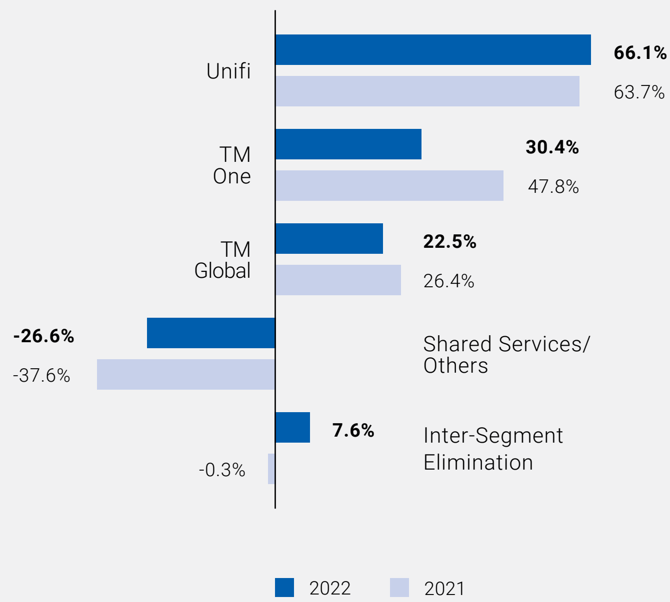


SEGMENT EBIT*

for the financial year ended 31 December

By Business	RM Million 2022	RM Million 2021
Unifi	**1,382.3**	1,089.0
TM One	**636.2**	817.4
TM Global	**469.2**	451.2
Shared Services/Others	**(557.0)**	(642.0)
Inter-Segment Elimination	**159.5**	(5.5)
Total	**2,090.2**	1,710.1

* EBIT from respective segments are reconciled to the Group's operating profit before finance cost in note 46 to the audited financial statements.



GROUP QUARTERLY FINANCIAL PERFORMANCE

2022	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 2022
In RM Million					
Operating revenue	**2,892.4**	**3,089.3**	**3,158.1**	**2,978.3**	**12,118.1**
Operating profit before finance cost	**553.5**	**697.8**	**607.1**	**223.2**	**2,081.6**
Profit before tax and zakat	**467.2**	**545.0**	**460.3**	**214.0**	**1,686.5**
Profit attributable to equity holders of the Company	**339.9**	**378.0**	**265.2**	**160.2**	**1,143.3**
Basic earnings per share (sen)	**9.0**	**10.0**	**7.0**	**4.2**	**30.2**
Dividend per share (sen)	**-**	**9.0**	**-**	**7.5**	**16.5**

2021	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 2021
In RM Million					
Operating revenue	2,809.7	2,762.9	2,803.3	3,153.1	11,529.0
Operating profit before finance cost	583.3	382.0	434.3	294.8	1,694.4
Profit before tax and zakat	407.0	293.1	352.7	194.0	1,246.8
Profit attributable to equity holders of the Company	325.5	218.5	271.3	79.9	895.2
Basic earnings per share (sen)	8.6	5.8	7.2	2.1	23.7
Dividend per share (sen)	-	7.0	-	6.0	13.0

GROUP FINANCIAL REVIEW

The year 2022 has been a momentous year towards another chapter of successful transformation, with multiple accomplishments.

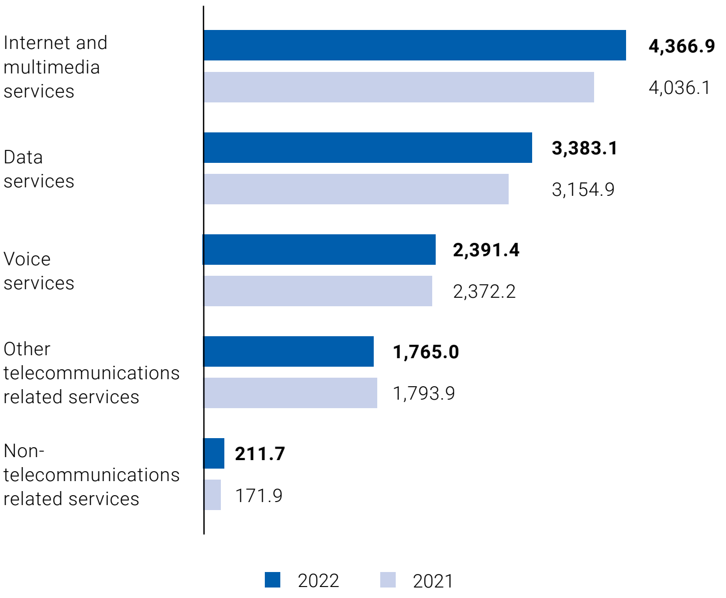
The Group concluded the year with revenue at RM12.12 billion, a 5.1% increase from the RM11.53 billion in 2021. Our performance improvement initiatives continued to yield results, especially with respect to cost, driving the Group to a 22.2% increase in Earnings Before Interest and Taxation (EBIT) at RM2.10 billion in 2022 compared to RM1.71 billion in 2021.

OPERATING REVENUE

The Group achieved its 2022 revenue guidance which saw revenue grew by 5.1% from RM11.53 billion in 2021 to RM12.12 billion in 2022 with increase recorded from internet and multimedia, data, non-telecommunication services as well as voice.

With the solid foundation of 3.0 million Unifi broadband customers nationwide, Unifi continues to enrich its customers' digital lifestyle with more value-added offerings, including enhancing the digital business solutions to be offered to its SME customers. TM One further establishes its foundation as the trusted partner for large enterprises and the public sector in delivering digital connectivity, smart services, cybersecurity and data centre solutions. In accelerating Malaysia's digital transformation journey, TM One together with Credence will continue to drive the adoption of cloud solutions for enterprise and public sector customers. Backed by its strong digital infrastructure footprint and vast global opportunities, TM Global continues to expand its service portfolio not limiting to other telecommunication providers, but also serving hyperscalers and Over-the-Top (OTT) players with value-driven connectivity and customised digital solutions.

OPERATING REVENUE
(RM Million)



Internet and multimedia services

Internet and multimedia services revenue remains the largest portion of the Group's revenue contributing 36.0% of the Group's total revenue in 2022 (2021: 35.0%). In closing the financial year with a total revenue of RM4,366.9 million, this revenue line grew by 8.2% (RM330.8 million) compared to RM4,036.1 million in 2021.

The increase in the internet and multimedia services revenue is reflective of Unifi's continuing and stable growth trajectory, with fixed broadband subscriber base landing at 3.0 million at the close of the financial year, a 9.3% (0.3 million) increase from 31 December last year. The growth was attributable to various promotions and retention programs.

The Group's key campaigns in 2022 included Unifi Home All-In-One convergence plan with lifestyle devices add-on, 30-day free trial, SME Digitalisation Grant initiatives, SME Digital Solutions, access to 17 streaming apps including Disney+, Hotstar, Mango TV, SPOTV Now, SIAR and many more for Unifi TV customers.

Data services

Underpinned by the growing trend towards increasing need and consumption for data, on the consumer and enterprise front, which in turn further reinforces the Group's role in provision of backhaul services and High Speed Broadband Access (HSBA), leased lines to other telecommunication service providers in Malaysia as well as the growth in data services to international customers, data services revenue has increased by 7.2% (RM228.2 million), with total revenue of RM3,383.1 million in 2022, up from RM3,154.9 million in 2021. Contributing 27.9% of the Group's total revenue, data services primarily include revenue from leased lines, Ethernet, IPVPN and IP services, serving not only domestic customers but also international telecommunication licensed customers.

Voice services

The increase in revenue from voice services in 2022 was driven by voice over data and the internet, primarily attributable to the increase in the cumulative number of Unifi subscribers. The hybrid work arrangement implemented by certain corporations continues to support the need for broadband access. This contributed to voice revenue growth of 0.8% (RM19.2 million), reaching RM2,391.4 million in 2022 compared to RM2,372.2 million in 2021. Voice formed 19.7% of the Group's total revenue for 2022 (2021: 20.6%).

Other telecommunications related services

Contributing 14.6% to the Group's total revenue, offerings such as cloud, data centre and smart services solutions under other telecommunications related services continue to support TM to serve as the enabler of a Digital Malaysia, empowering digital transformation within communities, businesses and the public sector to facilitate the nation's next stage of digital growth.

GROUP FINANCIAL REVIEW

Non-telecommunications related services

The Group's RM211.7 million revenue from non-telecommunications related services rose 23.2% (RM39.8 million) in 2022 from RM171.9 million in 2021, contributed to 1.7% of the Group's total revenue (1.5% in 2021). This revenue segment comprises of the Group's diversified ventures in non-telecommunication related business activities through subsidiaries focusing on education, tourism (which the Group exited on 31 October 2022), property development and trading. The relaxation of Standard Operating Procedures (SOPs) and the reopening of international borders post pandemic contributed to the growth of this revenue segment.

OPERATING COSTS

As we complete the second year of our transformation programme, we continue to see further tractions from our cost optimisation initiatives translated into continued improvement of our cost efficiency ratio which has steadily declined over the last few years. Even when total operating costs including depreciation and amortisation increased 1.9% year-on-year from RM9,976.6 million to RM10,170.5 million, measured by the percentage of total cost to revenue, the Group's cost efficiency ratio has improved from 86.5% in 2021 to 83.9% in the current year.

Depreciation, impairment and amortisation

Depreciation was 8.7% (RM228.2 million) higher from RM2,634.7 million in 2021 to RM2,862.9 million in 2022, in view of the accelerated depreciation undertaken as part of the Group's annual review exercise of useful life of assets during the year. The Group has taken the prudent approach to revise the useful life of terrestrial fibre optic cables from 25 to 20 years, in-line with current industry practice. The Group also revised the useful life of certain last-mile elements of its network from 3 to 2 years, following the contract period that customers sign up for.

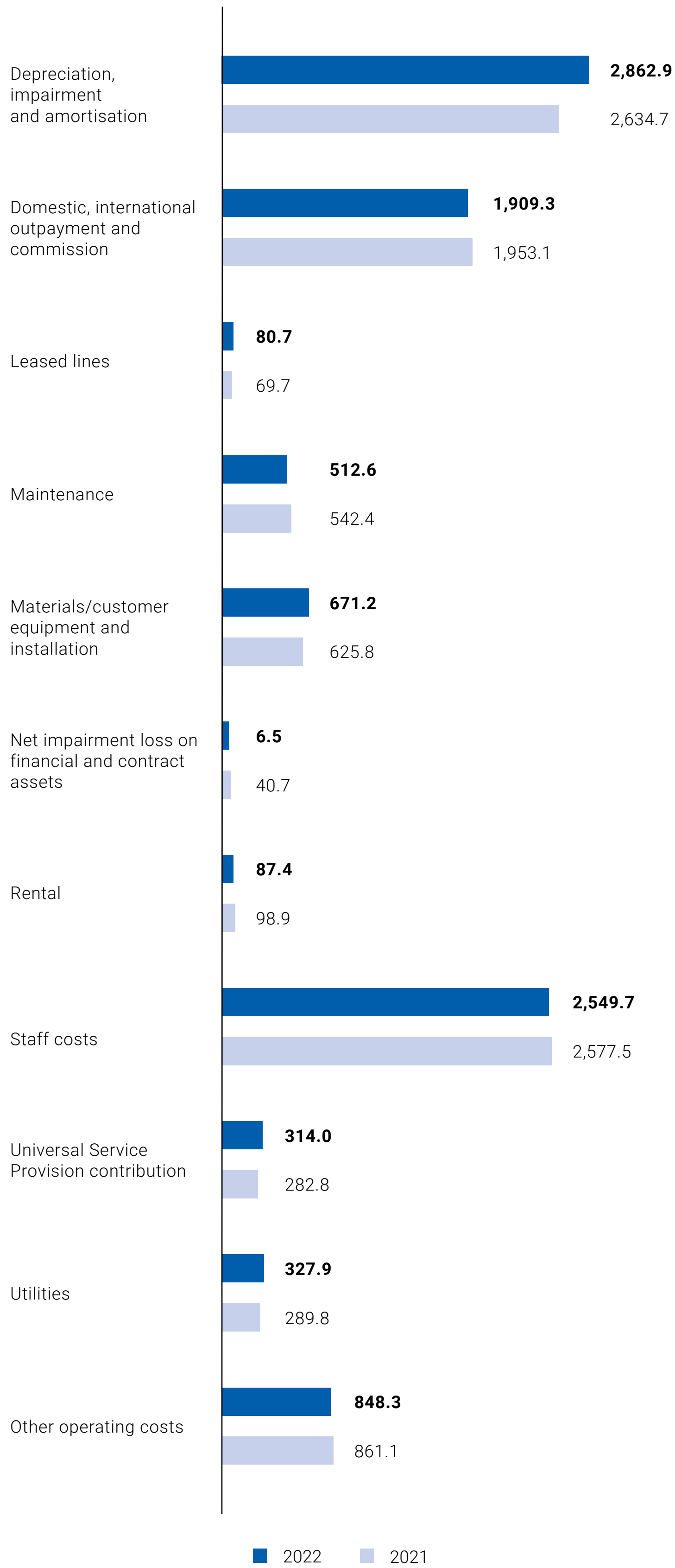
Domestic, international outpayment and commission

Forming 18.8% of the Group's total operating costs, domestic, international outpayment and commission reduced 1.9% (RM36.9 million) year on year against the 5.1% increase in the Group's operating revenue, contributing to the Group's improved cost over revenue efficiency ratio. This cost element largely comprise of telecommunication outpayment and operational costs incurred to service international and domestic traffic minutes, commissions to resellers and agents, cost of telecommunication equipment and engineering services in serving the Group's solution based services to our enterprise and public sector customers.

Maintenance

At RM507.3 million for 2022, the Group's maintenance cost continued its consistently reducing trend over the past few years, closing the year with a 6.5% (RM35.1 million) reduction from the RM542.4 million recorded in 2021. Made up largely of repair and maintenance cost for the Group's network, buildings and premises, as well as system and software, the Group continues to explore new initiatives to optimise network operations and costs, leveraging on effective partnership in the ecosystem the Group shares with its vendors and network partners without compromising the quality of our services to our customers.

OPERATING COSTS
(RM Million)



GROUP FINANCIAL REVIEW

Materials/customer equipment & installation

The RM671.2 million material/customer equipment & installation cost the Group incurred in 2022 represents 6.6% of the Group's total cost and was a 7.3% (RM45.4 million) increase from the previous financial year, in line with continuing increase in the Group's high speed broadband customer base which reached the 3.0 million milestone close at the year end. This element of the Group's cost is made up of expenses on customer premise equipment (CPE) such as routers and modems when acquiring specific customer contracts. Where relevant, such costs are capitalised and subsequently amortised as expenses to the income statement over the minimum contract period signed with respective customers. This element of cost was 5.5% over total revenue in 2022, compared to 5.4% in 2021, a spending element key in ensuring the Group's investments towards better customer experience.

Net impairment loss on financial and contract assets

The Group closed the year with RM6.5 million provision for impairment of trade receivable balances in 2022, an 84.0% (RM34.2 million) decrease compared to the RM40.7 million recorded in 2021.

The Group continues to see through the macro-economic pressures at large and cautious spending of customers and focused on putting in place the necessary measures in keeping collections from customers firm, thus keeping impairment losses on financial and contract assets moderately contained at a level of 0.1% of revenue compared to 0.4% in the previous financial year.

Staff costs

Making up 25.1% of the Group's total operating cost, the Group's manpower cost optimisation continues to be a key lever in the Group's transformation programme. In right-sizing and right-skilling the organisation to future-proof the Group with future-ready skills and a digital workforce, the Group recorded a 1.1% (RM27.8 million) reduction in staff cost year-on-year.

In absolute terms, the Group's total staff cost (net of staff cost capitalised) in 2022 was at RM2,549.7 million compared to RM2,577.5 million in 2021 with headcount at the end of the year anchored at 19,499 compared to > 20,000 at the end of 2021.

OTHER GAINS/LOSSES (NET)

The Group's fair value gains or losses on financial instruments carried on its Consolidated Statement of Financial Position at fair value through profit or loss (FVTPL) as well as gains or losses realised to the income statement from the disposals or de-recognition of instruments carried at fair value through other comprehensive income (FVOCI) are reported as Other gains/losses (net). For 2022, the Group recorded a net RM8.6 million Other losses (2021: RM15.7 million net losses) mainly contributed by the fair value movement of the Group's investment in a technology investment fund as well as fair value movements in investments in fixed income unit trust portfolios.

NET FINANCE COST

As part of the Group's initiatives in 2022, the Group continued to review its borrowings profile and based on affordability, completed an early redemption of its USD50.0 million Multi-currency Euro Medium Term Notes (EMTN) sukuk on 19 August 2022, a year earlier than the contracted due date. This and the 10 June 2022 repayment of the RM300.0 million Islamic Medium Term Notes (IMTN) as it became due, contributed to the Group's RM99.2 million further reduction in finance cost compared to 2021, without any new borrowings during the financial year ended.

Consequently, against the relatively flat finance income of RM74.8 million in 2022 when compared to RM75.6 million in 2021, and RM45.1 million increase in foreign exchange translation losses during the year on the Group's USD denominated borrowings, at RM406.3 million, the Group's net finance cost for 2022 in totality was 11.6% (RM53.3 million) lower than the RM459.6 million recorded in 2021.

Tax Expenses

The application of the 33% Cukai Makmur tax rate on the Group's profits in 2022 saw the Group recognising RM533.3 million tax charges for 2022, a 47.4% (RM171.5 million) increase from the RM361.8 million tax charges recorded for 2021. The higher tax charges for the year was also a function of the higher profits recorded by the Group with effective tax rate of 31.6% for 2022 compared to 29.0% in 2021.

Zakat contribution from the Group for 2022 was RM9.0 million compared to the RM7.1 million in 2021, closing the year with RM542.3 million tax and zakat charges (2021: RM368.9 million).

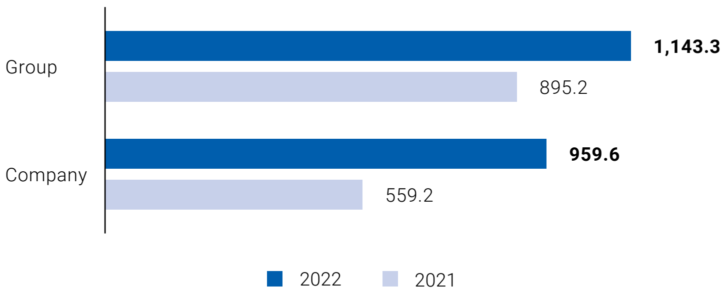
Profitability

2022 being the 2nd year of the Group's transformation programme has shown momentous progress achieving the revised higher guidance for revenue with stronger profitability growth for the financial year.

With the 5.1% topline growth in 2022 which saw the Group's revenue at the highest since the 2008 demerger, and the transformation programme continuing to remain in place, the Group's cost efficiency have improved from 2021, which has pushed the Group to register notable double digit profitability achievements for both Earnings before interest and taxation (EBIT) and Profit after taxation and Non-controlling Interest (PATAMI) in 2022. The Group closed the year with a 22.2% increase in EBIT which was at RM2,090.2 million for 2022 from RM1,710.1 million in 2021, a measure of operational profits (excluding other losses) for the Group.

The RM53.3 million decrease in the Group's net finance costs together with higher tax rates mainly from the Group's application of the Cukai Makmur tax, saw PATAMI increased 27.7% (RM248.1 million) from RM895.2 million in 2021 to RM1,143.3 million in 2022.

PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY
(RM Million)



TOTAL ASSETS

The Group closed the financial year end with total assets of RM23,131.3 million compared to RM22,831.1 million at the end of the previous financial year driven by net increase in property, plant and equipment, intangible assets, inventories and trade and other receivables and contract cost assets, against net reduction in investment at fair value at profit and loss and cash and bank balances, between the two balance sheet dates

Property, plant and equipment

TM Group's property, plant and equipment at the financial year end was RM13,547.0 million, a 1.4% (RM190.9 million) increase against RM13,356.1 million at the end of 2021. Capital expenditure (CAPEX) of the Group was RM2,429.1 million in 2022, 20.0% of the Group's revenue. The CAPEX was 42.8% (RM728.2 million) higher than the RM1,700.9 million spent in 2021, to deliver growth in fibre services and network expansion. During the current financial year ended, the Group revised its estimates of useful life for certain network and last mile elements including fibre optic cables, giving rise to increase in depreciation charges for the financial year ended 31 December 2022.

ROU assets

ROU assets represent the Group's collective rights to use leased assets which predominantly comprise of the rentals of thousands of telecommunication transmission sites throughout the nation, identified capacity within international and domestic submarine cables and co-location arrangements at data centres along with lease on office buildings, over the remaining lease period of those lease contracts. These assets are depreciated over the lease period and the Group would apply critical assumptions on the most probable outcome of extension for contracts with options to extend. The Group closed the financial year with RM1,153.7 million ROU assets compared to RM1,208.2 million last year, with new ROU contracts created during the current financial year that was lower than the net current year depreciation and termination of contracts.

Trade and Other Receivables

Trade and other receivables balance was at RM2,312.3 million at the end of 2022 compared to RM2,050.8 million the year before. The RM261.5 million movement in balances translates to an increase in Accounts Receivable (AR) days to collect and were mainly due to increase in accrued earnings and grant recoverable from the Government or other relevant local or federal authorities, prepayments and other receivables.

Cash and bank balances

Cash and bank balances of the Group reduces between the reporting year ends with RM2,579.4 million recorded as at 31 December 2022 as compared to RM2,733.8 million at the end of the previous balance sheet date. The RM154.4 million movements in cash and bank balances corresponds with reductions in borrowings from early redemption of Multi-currency Euro Medium Term Notes and repayment of Islamic Medium Term Notes upon its maturity as well as increase in capital expenditure during the financial year ended.

Inventories

Increase of inventories from RM176.9 million at the end of 2021 to RM305.4 million was in view of increase in telecommunication and customer premise equipment, as well as higher international network capacity held for resale at TM Global. This was largely driven by the Group's increased holding of telecommunication equipment which includes network materials in view of increase in demand and new installations in 2022.

TOTAL LIABILITIES

The Group closed the financial year ended with total liabilities of RM15,042.2 million compared to RM15,503.2 million recorded at the end of 2021.

Borrowings

Total borrowings of the Group stood at RM5,269.3 million as at 31 December 2022 compared to RM5,720.0 million at the end of 2021. Reduction in borrowings balance was mainly due to repayment of RM300.0 million Islamic Medium Term Notes upon its maturity on 10 June 2022 as well as USD50.0 million sukuk under the Group Multi-currency Euro Medium Term Notes upon early redemption on 19 August 2022.

Lease liabilities

The Group's lease liabilities were RM1,774.5 million at the end of the financial year, a 5.8% (RM109.2 million) reduction compared to RM1,883.7 million at the end of the previous financial year. The lease liabilities represent the present value of the Group's obligation to make future lease payments, discounted at borrowing rates inherent to the individual entities within the Group.

Trade and other payables

The Group's total trade and other payables increased 2.3% (RM84.6 million) at RM3,742.6 million as at 31 December 2022, compared to RM3,658.0 million. This is aligned mainly to the RM728.2 million increase in CAPEX during the year.

GROUP FINANCIAL REVIEW

SHAREHOLDERS' EQUITY

The Group's strong performance for 2022 with PATAMI of RM1,143.3 million, less the RM567.3 million appropriation of dividend in cash during year together with increase in other reserves led to a 5.8% (RM434.0 million) increase in shareholders' equity.

Despite issuance of new ordinary shares during the year from the Group's Long Term Incentive Plan (LTIP) and Dividend Reinvestment Scheme (DRS) applied to the first interim dividend for 2022, net asset per share increased from 198.8 sen per share at the end of the financial year to close at 4.5% higher at 207.7 sen.

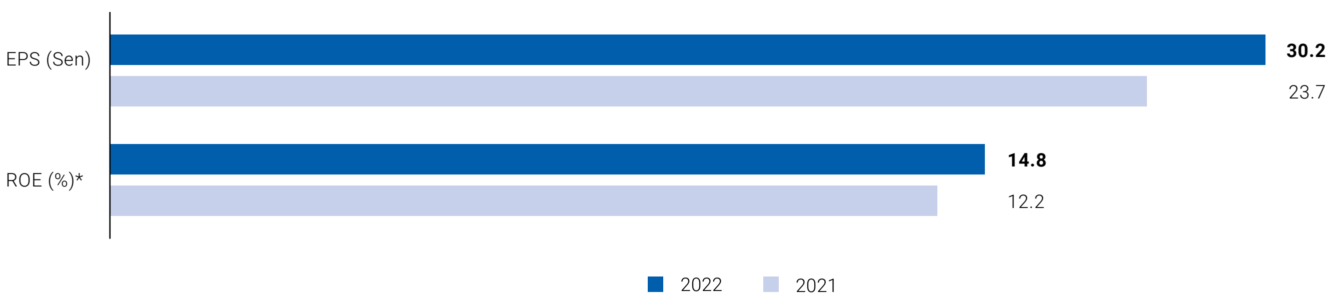
Earnings per share (EPS) and return on shareholders' equity (ROE)

The Group's EPS for 2022 stood at 30.2 sen per share compared to 23.7 sen per share in 2021, consequent to the 27.7% (RM248.1 million) increase in the Group's PATAMI. Correspondingly, ROE (calculated as Reported PATAMI over average shareholders' equity) increased from 12.2% in 2021 to 14.8% in 2022.

Dividends

The Group remains committed to its dividend payout policy to distribute yearly dividend of 40% to 60% from the Group's Reported PATAMI. For our shareholders, the Group declared on 28 February 2022 a Final Interim Dividend of 7.5 sen per share with a payout amounting to RM286.6 million for the financial year of 2022. Together with the first interim dividend of 9.0 sen per share declared in August 2022, the total interim dividend for financial year ended 31 December 2022 is 16.5 sen per share amounting to RM627.5 million.

EPS and ROE



* Calculated based on Reported PATAMI

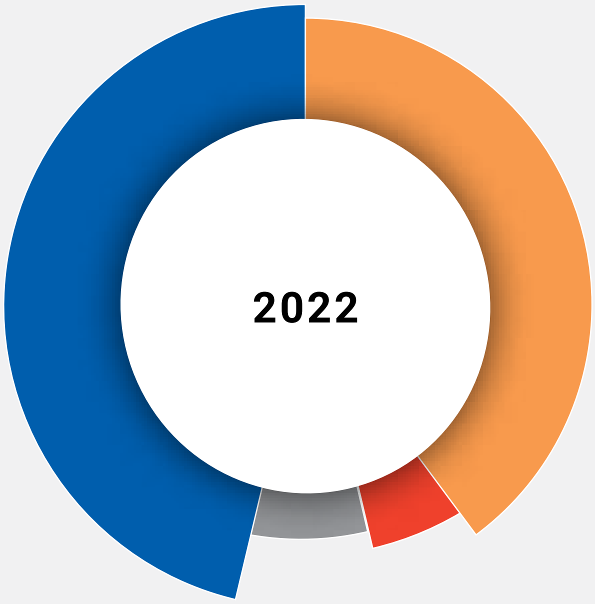
STATEMENT OF VALUE ADDED

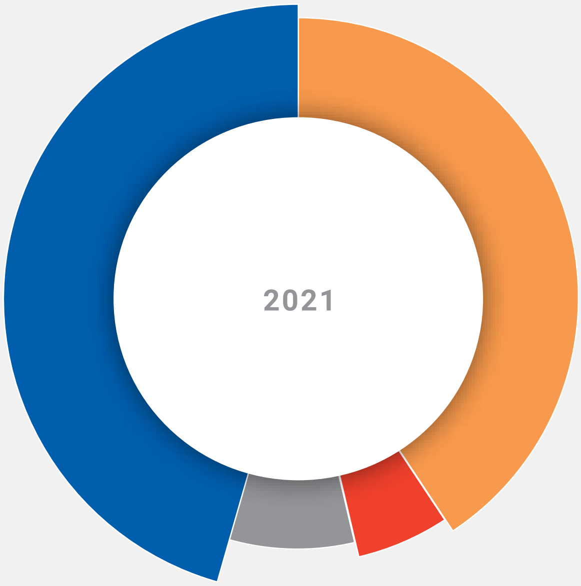
Value added is a measure of wealth created. The following statement shows the Group's value added for 2022 and 2021 and its distribution by way of payments to employees, government/approved agencies and shareholders, with the balance retained in the Group for reinvestment and future growth.

VALUE ADDED	2022 RM Million	2021 RM Million
Revenue	**12,118.1**	11,529.0
Purchase of goods and services	**(4,972.2)**	(4,678.0)
Value added by the Group	**7,145.9**	6,851.0
Other operating income (net)	**142.6**	157.6
Other losses (net)	**(8.6)**	(15.7)
Finance income	**74.8**	75.6
Finance cost	**(387.1)**	(486.3)
Foreign exchange loss on borrowings	**(94.0)**	(48.9)
Share of results of associate	**11.2**	12.0
Value added available for distribution	**6,884.8**	6,545.3

DISTRIBUTION	2022 RM Million	2021 RM Million
To Employees		
Employment cost	**2,671.7**	2,663.8
To Government/Approved Agencies		
Tax and Zakat	**542.3**	368.9
To Shareholders		
Dividends	**567.3**	547.2
Non-controlling interests	**0.9**	(17.3)
Retained for reinvestment and future growth		
Depreciation, impairment and amortisation	**2,862.9**	2,634.7
Net increase in retained profits	**239.7**	348.0
Total distributed	**6,884.8**	6,545.3

DISTRIBUTION OF VALUE ADDED





TAX STRATEGY STATEMENT

This document sets out TM Group's (including subsidiaries and overseas branches) tax policy and approach in conducting its tax affairs and dealing with tax compliance risk for the financial year ended 31 December 2022.

1. KEY PRINCIPLES

TM Group is committed to conduct its tax affairs based on the following principles:

(a) Timely compliance with all applicable tax laws and regulations of the countries in which it operates;
(b) Ensure that business transactions are driven by business purpose or commercial purpose taking into account TM's Core Values;
(c) Apply due diligence and professional care, including seeking written opinion from third party advisors and rulings/confirmations from the tax authorities, where necessary, to ensure that the position taken is supportable and defendable in a tax audit; and
(d) Adopt open and collaborative professional relationships with the relevant tax authorities.

2. TAX GOVERNANCE

The Finance team in each entity within the Group are responsible in ensuring timely tax compliance. TM's Group Tax Unit (Group Tax) will work together with the Group's various Business Finance departments to provide advice and guidance to ensure compliance with the tax regulations and that business decision making is commercially justified.

The respective Business Finance Departments would seek input from TM Group Tax on:

(a) Business proposals to ensure a clear understanding of the tax consequences;
(b) Assessment and management of tax risks to ensure compliance with local and overseas tax regulations in respect of TM's cross border related party transactions;
(c) Tax technical position to ensure that a position taken is supported by documentation, legal interpretation and the practice adopted by the tax authorities. Where required, external tax advice would be sought in consultation with Group Tax; and
(d) Audits and enquiries from tax/regulatory authorities.

In addition, Group Tax must be involved in the planning, implementation and documentation of any business or share acquisitions and disposals, changes in corporate structure, significant business transactions, new cross border intra-group trading arrangements and selection of tax advisors.

3. ATTITUDE TO TAX PLANNING

TM will utilise tax incentives and reliefs to minimise the tax costs of conducting its business provided that they are aligned with intended policy objectives of the Governments which introduced the incentives, supported with genuine commercial activity and consistent with the business and/or operational objectives of TM Group.

4. MANAGEMENT OF TAX RISKS

Written advice will be obtained from external advisors to support the decision making process where there is uncertainty on the application/interpretation of tax laws; and/or the transaction carries substantial reputational, monetary or regulatory risk.

Any changes in relevant tax laws and practices are monitored through regular updates from external tax advisors, discussions/dialogues with the professional bodies and relevant tax authorities and participation in seminars/conferences. Team members at Business Finance and Group Tax have recognised accounting qualifications and the Group's activities provide opportunities for training in respect of taxation to ensure that members of the finance teams have the necessary experience and expertise to identify and manage tax matters as they arise.

Group Tax has the responsibility to determine the technical position to be taken by TM in relation to tax matters.

From time to time, our position may differ from those of the tax authorities with regards to the appropriate tax treatment. Where such circumstances arise, TM will work constructively and proactively with the tax authorities with a view to achieving an early resolution to any matters arising.

Depending on the degree of risk and/or nature of the transactions involved, tax action/decisions will be referred to the Board Audit Committee (BAC) and the Board of Directors for approval and guidance.

The subjective nature in the interpretation of tax laws and various tax rules makes it impossible to fully mitigate all tax risks. Therefore, we endeavour to keep tax risks to a minimum and do not set a limit on acceptable risks.

We seek to manage our affairs consistent with our tax strategy principles and will refer to the BAC and Board of Directors for guidance, where required.

5. RELATIONSHIPS WITH TAX AUTHORITIES

TM Group seeks to:

(a) Deal with tax authorities and other relevant bodies in a collaborative, courteous and timely manner;
(b) Engage in open dialogue to discuss tax planning, strategy, risks and significant transactions;
(c) Make fair, accurate and timely disclosure in correspondences and returns; and
(d) Provide response to queries and information requests on a timely basis and seek to resolve issues with the tax authorities to aim for early agreement on disputed matters and to obtain a ruling/confirmation on technical positions, where possible.

STATEMENT OF RESPONSIBILITY BY DIRECTORS

In respect of the Audited Financial Statements for the Financial Year Ended 31 December 2022

The Directors are required by the Companies Act 2016 (CA 2016) to prepare the financial statements for each financial year in accordance with applicable Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards, the relevant provisions of the CA 2016 and the requirements of the Main Market Listing Requirements (Main LR) of Bursa Malaysia Securities Berhad (Bursa Securities). The Directors are responsible to ensure that the financial statements give a true and fair view of the financial position of the Group and the Company at the end of the financial year, and of their financial performance and cash flows for the financial year then ended.

In preparing the financial statements, the Directors have:

- adopted appropriate and relevant accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- ensured that all applicable approved accounting standards have been followed; and
- prepared the financial statements on a going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operation for the foreseeable future.

The Directors have the responsibility 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, and which enable them to ensure the financial statements comply with the CA 2016.

The Directors also have the overall responsibilities to take such steps that are reasonably open to them to safeguard the assets of the Group and of the Company, and for the establishment, implementation and maintenance of appropriate accounting and internal control systems for the detection and prevention of fraud and other irregularities.

DIRECTORS' REPORT

for the financial year ended 31 December 2022

The Directors have pleasure in submitting the audited financial statements of the Group and the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The principal activities of the Group and the Company are the establishment, maintenance and provision of telecommunications and related services. The details and principal activities of subsidiaries are set out in note 53 to the audited financial statements. There were no significant changes in the principal activities of the Group and the Company during the financial year.

RESULTS

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

	The Group RM Million	The Company RM Million
Profit for the financial year attributable to:		
- equity holders of the Company	1,143.3	959.6
- non-controlling interests	0.9	-
Profit for the financial year	1,144.2	959.6

In the opinion of the Directors, the results of the operations of the Group and the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

Since the end of the previous financial year, dividends paid, declared or proposed on ordinary shares of the Company were as follows:

		The Company RM Million
(a)	In respect of the financial year ended 31 December 2021, a final interim single-tier dividend of 6.0 sen per share was declared on 25 February 2022 and paid on 31 March 2022	226.4
(b)	In respect of the financial year ended 31 December 2022, an interim single-tier dividend (Interim Dividend 2022) of 9.0 sen per share was declared on 24 August 2022 and paid on 21 October 2022	340.9

The Dividend Reinvestment Scheme (DRS) as explained in note 13(b) to the audited financial statements was made applicable to the entire Interim Dividend 2022 above where the entire Electable Portion of the Interim Dividend 2022 could be elected to be reinvested in new ordinary shares of the Company (New TM Shares) in accordance to the DRS.

The Shareholders approved the renewal of authority for Directors of the Company to allot and issue new ordinary shares in the Company (TM Shares) in accordance to the DRS at the Thirty-seventh Annual General Meeting (AGM) until the conclusion of the next AGM.

On 28 February 2023, the Board of Directors declared a final interim single-tier cash dividend of 7.5 sen per share for the financial year ended 31 December 2022. The dividend will be paid on 31 March 2023 to shareholders whose names appear in the Register of Members and Record of Depositors on 16 March 2023. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2023.

LONG TERM INCENTIVE PLAN (LTIP)

On 29 September 2016, the Company implemented a LTIP that is enforceable over a period of 10 years, having obtained shareholders' approval at an Extraordinary General Meeting (EGM) on 28 April 2016 and all other subsequent required approvals. The EGM also approved the By-Laws governing the LTIP.

There has been no further grant of new LTIP tranches during the current financial year.

Description of LTIP has been disclosed in note 14 to the audited financial statements for the financial year ended 31 December 2022.

DIRECTORS' REPORT
for the financial year ended 31 December 2022

SHARE CAPITAL

Shares issued pursuant to LTIP

The number of ordinary shares of the Company increased by 14.0 million during the current financial year pursuant to the issuance of shares from the Restricted Shares (RS) and Performance Shares (PS) LTIP vested during the financial year, granted to employees on 17 June 2019 as disclosed in note 14 to the audited financial statements.

Shares issued pursuant to DRS

Pursuant to Bursa Malaysia Securities Berhad's (Bursa Securities) approval, the Company had issued and allotted 33.3 million new shares (New TM Shares) on 21 October 2022 at an issue price of RM5.41 per New TM Share. The payment of dividend to shareholders who did not elect for DRS was also made on 21 October 2022 amounting to RM160.5 million. The New TM Shares were listed and allotted on the Main Market of Bursa Securities on 25 October 2022. This translates to 52.93% rate of acceptance of shareholders to reinvest their cash dividend into New TM Shares.

Subsequent to the issuance of shares from DRS and LTIP, the number of ordinary shares of the Company was 3,821.0 million as at 31 December 2022.

ISSUANCES, REPURCHASES AND REPAYMENTS OF DEBT

Repayment of Islamic Medium Term Notes (IMTN)

On 10 June 2022, the Group repaid, at its nominal value, the RM300.0 million IMTN at 4.23% per annum upon its maturity date. The IMTN was issued as part of the RM3.0 billion IMTN Programme disclosed in note 17(b) to the audited financial statements.

Early Redemption of Multi-currency Euro Medium Term Notes (EMTN)

On 19 August 2016, Tulip Maple Berhad, a subsidiary of the Group, issued a 7-year USD50.0 million Sukuk due on 21 August 2023. The Sukuk carried a periodic distribution rate of 1 month USD London Interbank Offered Rate (LIBOR) plus 1.35% per annum.

On 19 August 2022, the Sukuk was redeemed ahead of its maturity and was subsequently cancelled accordingly.

MOVEMENTS ON RESERVES AND PROVISIONS

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

OTHER STATUTORY INFORMATION

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

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

(b) ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and 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 which:

(a) would render the amounts written off for bad debts or the amount of allowance for doubtful debts inadequate to any substantial extent; or

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

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

OTHER STATUTORY INFORMATION (CONTINUED)

At the date of this report there are:

(a) no charges on the assets of the Group and the Company which have arisen since the end of the financial year which secures the liabilities of any other person; and

(b) no contingent liabilities in the Group and the Company which have arisen since the end of the financial year.

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

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 operations of the Group and the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) 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 any operations of the Group and the Company for the financial year in which this report is made.

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:

Directors	**Alternate Director**
Tan Sri Mohammed Azlan Hashim	
Dato' Shazril Imri Mokhtar	
Dato' Anis Rizana Mohd Zainudin @ Mohd Zainuddin	Iszad Jeffri Ismail
Dato' Mohamed Nasri Sallehuddin	
Muhammad Afhzal Abdul Rahman	
Tunku Afwida Tunku Dato' A.Malek	
Balasingham A. Namasiwayam	
Hisham Zainal Mokhtar	
Suhendran Sockanathan	
Datuk Siti Zauyah Md Desa	
Rossana Annizah Ahmad Rashid	

In accordance with Clause 112 of the Company's Constitution, the following Directors shall retire by rotation from the Board at the forthcoming 38th AGM of the Company and being eligible, offer themselves for re-election:

(i) Dato' Shazril Imri Mokhtar;
(ii) Dato' Anis Rizana Mohd Zainudin @ Mohd Zainuddin;
(iii) Datuk Siti Zauyah Md Desa; and
(iv) Hisham Zainal Mokhtar.

DIRECTORS' REPORT
for the financial year ended 31 December 2022

DIRECTORS' INTEREST IN SHARES

In accordance with 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 in the Company, during the financial year except for the following:

	Number of ordinary shares				
	Interest	Balance as at 1.1.2022	Acquired/ LTIP Vested	Disposed	Balance as at 31.12.2022
Dato' Shazril Imri Mokhtar*	Direct/Indirect	5,600*	5,299**	-	10,899*
Balasingham A. Namasiwayam	Direct	16,013	266#	-	16,279

* Including indirect interest through spouse's holding, Datin Hasnita Hashim (an employee of the Group).
** Acquisition of 5,299 during the year is inclusive of:
a) Acquisition of 3,000 shares via open market on 8 March 2022;
b) Acquisition of 2,200 indirect shares by spouse, Datin Hasnita Hashim, an employee of the Group; and
c) Allotment of 99 shares pursuant to the DRS completed on 25 October 2022.
Allotment of 266 shares pursuant to the DRS completed on 25 October 2022.

In accordance with the Register of Directors' Shareholdings, none of the other Directors who held office at the end of the financial year has any direct or indirect interests in the shares in the Company and its related corporations during the financial year.

None of the Directors who held office at the end of the financial year have been granted any units of shares under the LTIP of the Group and the Company as described in note 14 to the audited financial statements except for the following:

	Interest	Grant Date	Grant Type	Balance as at 1.1.2022	Granted	Vested	Lapsed	Balance as at 31.12.2022
Dato' Shazril Imri Mokhtar*	Indirect	17 June 2019	RS	2,200	-	(2,200)	-	-

* Indirect interest through spouse's holding, Datin Hasnita Hashim (an employee of the Group).

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors has received or become entitled to receive a benefit (except for the Directors' fees, remuneration and other as disclosed in the following table) by reason of a contract made by the Company or 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 and any benefit that may deem to have been received by certain Directors, except that certain Directors also received remuneration from related corporations.

	The Group		The Company	
	2022 RM Million	2021 RM Million	2022 RM Million	2021 RM Million
Non-Executive Directors' fees	**3.4**	3.4	**2.6**	2.8
Non-Executive Directors' other emoluments	**1.1**	1.2	**1.1**	1.2
Executive Director's salary, allowances and bonus	**3.1**	2.4	**3.1**	2.4
Executive Director's Employees' Provident Fund (EPF)	**0.6**	0.4	**0.6**	0.4
	8.2	7.4	**7.4**	6.8

Neither during nor at the end of the financial year was the Company or any of its related corporations, 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.

The Directors and Officers of the Group and the Company are covered by Directors and Officers liability insurance for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The insurance premium paid during the financial year amounted to RM0.2 million.

DIRECTORS' REPORT
for the financial year ended 31 December 2022

BUSINESS REVIEW

A business review for the Group and the Company for the financial year ended 31 December 2022 and the prospect for the coming financial year will be set out in the Leadership Statements section of the Group's and the Company's Integrated Annual Report for the financial year ended 31 December 2022.

As TM Group invests in commercial growth and sustainability as a Public Listed Company (PLC) and continue its nation building role as a Government-Linked Company (GLC), the Group will continue the momentum to strengthen its core business and invest in new growth areas beyond connectivity. This is evident in the financial results delivered by the Group for the financial year ended 31 December 2022.

In improving the Group's competitive edge among the industry players, TM has embarked on an internal reorganisation involving the transfer of its telecommunication business in Malaysia to a single operating entity, TM Technology Services Sdn Bhd (formerly known as Webe Digital Sdn Bhd) (TM Tech), anticipated to complete by 31 December 2023. The internal reorganisation which includes Unifi, TM One and TM Global, will reinforce TM's Fixed-Mobile Convergence (FMC) positioning, solidifying the foundation to become a human centred TechCo.

On the back of higher technology costs and industry development in terms of regulatory policy, 5G and support for the B40, the Group is cautious of general economic headwinds which may lead to slower market growth and measured spending by customers, businesses and the public sector. TM Group is committed to continue to champion its nation building efforts in expanding and modernising the country's fibre network domestically and internationally, providing and humanising technology that is accessible to all in this digital era.

AUDITORS' REMUNERATION

Details of auditors' remuneration are set out in the following table:

	The Group		The Company	
	2022 RM Million	2021 RM Million	2022 RM Million	2021 RM Million
Statutory Audit Fees				
- Ernst & Young PLT	**2.5**	2.5	**1.4**	1.4
- Member firms of Ernst & Young PLT	**0.3**	0.3	**-**	-
Audit Related Fees	**0.4**	0.4	**0.4**	0.4
	3.2	3.2	**1.8**	1.8

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT for the financial year ended 31 December 2022.

AUDITORS

The auditors, Ernst & Young PLT (202006000003 (LLP0022760-LCA) & AF 0039)) have expressed their willingness to seek re-appointment.

In accordance with a resolution of the Board of Directors dated 30 March 2023.

TAN SRI MOHAMMED AZLAN HASHIM
Director

DATO' SHAZRIL IMRI MOKHTAR
Director

INCOME STATEMENTS

for the financial year ended 31 December 2022

All amounts are in million unless otherwise stated	Note	The Group 2022 RM	The Group 2021 RM	The Company 2022 RM	The Company 2021 RM
OPERATING REVENUE	5	**12,118.1**	11,529.0	**10,616.5**	10,048.3
OPERATING COSTS					
- depreciation, impairment and amortisation	6(a)	**(2,862.9)**	(2,634.7)	**(2,461.7)**	(2,030.7)
- net impairment loss on financial and contract assets and investment in subsidiaries		**(6.5)**	(40.7)	**(38.4)**	(461.5)
- other operating costs	6(b)	**(7,301.1)**	(7,301.1)	**(6,629.6)**	(6,640.0)
OTHER OPERATING INCOME (net)	7	**142.6**	157.6	**336.1**	370.7
OTHER LOSSES (net)	8	**(8.6)**	(15.7)	**(8.6)**	(15.7)
OPERATING PROFIT BEFORE FINANCE COST		**2,081.6**	1,694.4	**1,814.3**	1,271.1
FINANCE INCOME		**74.8**	75.6	**70.3**	74.6
FINANCE COST		**(387.1)**	(486.3)	**(343.9)**	(429.2)
FOREIGN EXCHANGE LOSS ON BORROWINGS		**(94.0)**	(48.9)	**(93.8)**	(48.9)
NET FINANCE COST	9	**(406.3)**	(459.6)	**(367.4)**	(403.5)
ASSOCIATE					
- share of results (net of tax)	29	**11.2**	12.0	**-**	-
PROFIT BEFORE TAX AND ZAKAT		**1,686.5**	1,246.8	**1,446.9**	867.6
TAX AND ZAKAT	10	**(542.3)**	(368.9)	**(487.3)**	(308.4)
PROFIT FOR THE FINANCIAL YEAR		**1,144.2**	877.9	**959.6**	559.2
ATTRIBUTABLE TO:					
- equity holders of the Company		**1,143.3**	895.2	**959.6**	559.2
- non-controlling interests		**0.9**	(17.3)	**-**	-
PROFIT FOR THE FINANCIAL YEAR		**1,144.2**	877.9	**959.6**	559.2
EARNINGS PER SHARE (sen)					
- basic	11	**30.2**	23.7		
- diluted	11	**30.0**	23.5		

The above Income Statements are to be read in conjunction with the Notes to the Financial Statements on pages 34 to 151.
Independent Auditors' Report – Pages 153 to 156.

STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 31 December 2022

		The Group		The Company	
All amounts are in million unless otherwise stated	Note	2022 RM	2021 RM	2022 RM	2021 RM
PROFIT FOR THE FINANCIAL YEAR		**1,144.2**	877.9	**959.6**	559.2
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified subsequently to income statement:					
- increase in fair value of equity investments at fair value through other comprehensive income (FVOCI)	30(a)	**7.5**	8.1	**7.5**	8.1
Items that may be reclassified subsequently to income statement:					
- decrease in fair value of investments at fair value through other comprehensive income (FVOCI)	30(b)	**(3.9)**	(7.4)	**(3.9)**	(7.4)
- reclassification adjustments relating to FVOCI investments disposed	8	**0.2**	(1.1)	**0.2**	(1.1)
- increase/(decrease) in fair value of receivables at FVOCI	31	**1.3**	(3.3)	**1.3**	(3.3)
- cash flow hedge:					
- (decrease)/increase in fair value of cash flow hedge	20	**(2.9)**	10.4	**(2.9)**	10.4
- change in fair value of currency basis	20	**(5.9)**	(8.4)	**(5.9)**	(8.4)
- reclassification to foreign exchange loss on borrowings	9	**(23.8)**	(13.5)	**(23.8)**	(13.5)
- currency translation differences					
- subsidiaries		**9.9**	5.8	**-**	-
- associate		**0.4**	0.1	**-**	-
Other comprehensive loss for the financial year		**(17.2)**	(9.3)	**(27.5)**	(15.2)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**1,127.0**	868.6	**932.1**	544.0
ATTRIBUTABLE TO:					
- equity holders of the Company		**1,126.1**	885.9	**932.1**	544.0
- non-controlling interests		**0.9**	(17.3)	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**1,127.0**	868.6	**932.1**	544.0

The above Statements of Comprehensive Income are to be read in conjunction with the Notes to the Financial Statements on pages 34 to 151.
Independent Auditors' Report – Pages 153 to 156.

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2022

All amounts are in million unless otherwise stated	Note	The Group 2022 RM	The Group 2021 RM	The Company 2022 RM	The Company 2021 RM
SHARE CAPITAL	13	**3,986.5**	3,729.0	**3,986.5**	3,729.0
OTHER RESERVES	15	**220.0**	283.2	**183.8**	257.0
RETAINED PROFITS	16	**3,730.0**	3,490.3	**2,935.6**	2,543.3
TOTAL CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		**7,936.5**	7,502.5	**7,105.9**	6,529.3
NON-CONTROLLING INTERESTS		**152.6**	(174.6)	**-**	-
TOTAL EQUITY		**8,089.1**	7,327.9	**7,105.9**	6,529.3
Borrowings	17	**4,959.6**	5,338.4	**4,400.1**	4,597.5
Payable to a subsidiary	18	**-**	-	**552.2**	730.7
Lease liabilities	19	**1,544.2**	1,553.4	**652.2**	564.3
Derivative financial instruments	20	**-**	4.6	**-**	4.6
Deferred tax liabilities	21	**1,425.8**	1,499.0	**1,412.6**	1,463.6
Deferred income	22	**1,630.7**	1,649.8	**1,615.6**	1,633.4
Trade and other payables	38	**24.6**	24.3	**-**	-
NON-CURRENT LIABILITIES		**9,584.9**	10,069.5	**8,632.7**	8,994.1
		17,674.0	17,397.4	**15,738.6**	15,523.4
Property, plant and equipment	23	**13,547.0**	13,356.1	**12,034.9**	11,812.1
Investment property	24	**-**	-	**97.9**	99.5
Intangible assets	25	**745.8**	665.4	**268.7**	179.6
Right-of-use assets	26	**1,153.7**	1,208.2	**690.0**	681.8
Subsidiaries	27	**-**	-	**2,297.3**	1,377.5
Loans and advances to subsidiaries	28	**-**	-	**35.5**	382.1
Associate	29	**94.3**	89.9	**-**	-
Equity investments at fair value through other comprehensive income (FVOCI)	30(a)	**149.1**	141.6	**149.1**	141.6
Investments at fair value through profit or loss (FVTPL)	30(c)	**164.6**	306.0	**164.6**	306.0
Receivables at fair value through other comprehensive income (FVOCI)	31	**147.0**	282.0	**147.0**	282.0
Other non-current receivables	32	**574.3**	441.1	**275.6**	349.2
Derivative financial instruments	20	**132.0**	145.4	**132.0**	145.4
Deferred tax assets	21	**24.1**	22.2	**-**	-
NON-CURRENT ASSETS		**16,731.9**	16,657.9	**16,292.6**	15,756.8
Inventories	33	**305.4**	176.9	**265.7**	137.9
Trade and other receivables	35	**2,312.3**	2,050.8	**2,298.1**	1,929.2
Contract assets	5(b)	**702.4**	719.6	**579.8**	524.9
Contract cost assets	34	**420.7**	379.2	**375.2**	355.4
Loans and advances to subsidiaries	28	**-**	-	**5.0**	-
Receivables at fair value through other comprehensive income (FVOCI)	31	**8.4**	15.9	**8.4**	15.9
Investments at fair value through other comprehensive income (FVOCI)	30(b)	**66.5**	82.3	**66.5**	82.3
Investments at fair value through profit or loss (FVTPL)	30(c)	**2.1**	12.5	**2.1**	12.5
Financial assets at fair value through profit or loss (FVTPL)	36	**2.2**	2.2	**2.2**	2.2
Cash and bank balances	37	**2,579.4**	2,733.8	**2,126.7**	2,297.4
CURRENT ASSETS		**6,399.4**	6,173.2	**5,729.7**	5,357.7
Trade and other payables	38	**3,718.0**	3,633.7	**4,727.6**	3,987.3
Contract liabilities	5(c)	**839.0**	857.4	**857.5**	909.6
Customer deposits	39	**182.6**	221.4	**180.7**	221.4
Borrowings	17	**309.7**	381.6	**272.4**	322.4
Lease liabilities	19	**230.3**	330.3	**77.1**	144.4
Tax and zakat		**177.7**	9.3	**168.4**	6.0
CURRENT LIABILITIES		**5,457.3**	5,433.7	**6,283.7**	5,591.1
NET CURRENT ASSETS/(LIABILITIES)		**942.1**	739.5	**(554.0)**	(233.4)
		17,674.0	17,397.4	**15,738.6**	15,523.4

The above Statements of Financial Position are to be read in conjunction with the Notes to the Financial Statements on pages 34 to 151.
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2022

		Attributable to equity holders of the Company								
All amounts are in million unless otherwise stated	Note	Special Share*/ Ordinary Shares Share Capital RM	FVOCI Reserves RM	Hedging Reserve RM	Cost of Hedging Reserve RM	Long Term Incentive Plan Reserve RM	Currency Translation Differences RM	Retained Profits RM	Non-controlling Interests RM	Total Equity RM
At 1 January 2022		3,729.0	94.0	13.5	22.7	127.9	25.1	3,490.3	(174.6)	7,327.9
Profit for the financial year		-	-	-	-	-	-	1,143.3	0.9	1,144.2
Other comprehensive income										
Items that will not be reclassified subsequently to income statement:										
- increase in fair value of equity investments at FVOCI	30(a)	-	7.5	-	-	-	-	-	-	7.5
Items that may be reclassified subsequently to income statement:										
- decrease in fair value of investments at FVOCI	30(b)	-	(3.9)	-	-	-	-	-	-	(3.9)
- reclassification adjustments relating to FVOCI investments disposed	8	-	0.2	-	-	-	-	-	-	0.2
- increase in fair value of receivables at FVOCI	31	-	1.3	-	-	-	-	-	-	1.3
- cash flow hedge										
- decrease in fair value of cash flow hedge	20	-	-	(2.9)	-	-	-	-	-	(2.9)
- change in fair value currency basis	20	-	-	-	(5.9)	-	-	-	-	(5.9)
- reclassification to foreign exchange loss on borrowings	9	-	-	(23.8)	-	-	-	-	-	(23.8)
- currency translation differences										
- subsidiaries		-	-	-	-	-	9.9	-	-	9.9
- associate		-	-	-	-	-	0.4	-	-	0.4
Total comprehensive income/(loss) for the financial year		-	5.1	(26.7)	(5.9)	-	10.3	1,143.3	0.9	1,127.0
Transactions with owners:										
Shares issued pursuant to Dividend Reinvestment Scheme (DRS)	13	180.4	-	-	-	-	-	-	-	180.4
Acquisition of Non-Controlling Interests (note 53(b)(ii))		-	-	-	-	-	-	(336.3)	334.0	(2.3)
Final interim dividend paid for the financial year ended 31 December 2021	12	-	-	-	-	-	-	(226.4)	-	(226.4)
Interim dividend paid for the financial year ended 31 December 2022	12	-	-	-	-	-	-	(340.9)	-	(340.9)
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	(7.7)	(7.7)
Long Term Incentive Plan (LTIP):										
- ordinary shares granted**	14,15	-	-	-	-	31.1	-	-	-	31.1
- transfer from LTIP reserve upon issuance of shares on vesting		77.1	-	-	-	(77.1)	-	-	-	-
Total transactions with owners		257.5	-	-	-	(46.0)	-	(903.6)	326.3	(365.8)
At 31 December 2022		3,986.5	99.1	(13.2)	16.8	81.9	35.4	3,730.0	152.6	8,089.1

* Issued and fully paid shares include the Special Rights Redeemable Preference Share (Special Share) of RM1.00. Refer to note 13(a) to the audited financial statements for details of the terms and rights attached to the Special Share.

** The apportionment over the vesting period of the fair value of the Group's granting of TM shares made to eligible employees of TM and its subsidiaries subject to fulfilment of relevant vesting conditions.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2022

		Attributable to equity holders of the Company								
		Special Share*/ Ordinary Shares								
All amounts are in million unless otherwise stated	Note	Share Capital RM	FVOCI Reserves RM	Hedging Reserve RM	Cost of Hedging Reserve RM	Long Term Incentive Plan Reserve RM	Currency Translation Differences RM	Retained Profits RM	Non-controlling Interests RM	Total Equity RM
At 1 January 2021		3,728.6	97.7	16.6	31.1	89.1	19.2	3,142.3	(149.3)	6,975.3
Profit/(loss) for the financial year		-	-	-	-	-	-	895.2	(17.3)	877.9
Other comprehensive income										
Items that will not be reclassified subsequently to income statement:										
- increase in fair value of equity investments at FVOCI	30(a)	-	8.1	-	-	-	-	-	-	8.1
Items that may be reclassified subsequently to income statement:										
- decrease in fair value of investments at FVOCI	30(b)	-	(7.4)	-	-	-	-	-	-	(7.4)
- reclassification adjustments relating to FVOCI investments disposed	8	-	(1.1)	-	-	-	-	-	-	(1.1)
- decrease in fair value of receivables at FVOCI	31	-	(3.3)	-	-	-	-	-	-	(3.3)
- cash flow hedge										
- increase in fair value of cash flow hedge	20	-	-	10.4	-	-	-	-	-	10.4
- change in fair value currency basis	20	-	-	-	(8.4)	-	-	-	-	(8.4)
- reclassification to foreign exchange loss on borrowings	9	-	-	(13.5)	-	-	-	-	-	(13.5)
- currency translation differences										
- subsidiaries		-	-	-	-	-	5.8	-	-	5.8
- associate		-	-	-	-	-	0.1	-	-	0.1
Total comprehensive (loss)/income for the financial year		-	(3.7)	(3.1)	(8.4)	-	5.9	895.2	(17.3)	868.6
Transactions with owners:										
Final interim dividend paid for the financial year ended 31 December 2020	12	-	-	-	-	-	-	(283.0)	-	(283.0)
Interim dividend paid for the financial year ended 31 December 2021	12	-	-	-	-	-	-	(264.2)	-	(264.2)
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	(8.0)	(8.0)
Long Term Incentive Plan (LTIP):										
- ordinary shares granted**	14,15	-	-	-	-	39.2	-	-	-	39.2
- transfer from LTIP reserve upon issuance of shares on vesting		0.4	-	-	-	(0.4)	-	-	-	-
Total transactions with owners		0.4	-	-	-	38.8	-	(547.2)	(8.0)	(516.0)
At 31 December 2021		3,729.0	94.0	13.5	22.7	127.9	25.1	3,490.3	(174.6)	7,327.9

* Issued and fully paid shares include the Special Rights Redeemable Preference Share (Special Share) of RM1.00. Refer to note 13(a) to the audited financial statements for details of the terms and rights attached to the Special Share.

** The apportionment over the vesting period of the fair value of the Group's granting of TM shares made to eligible employees of TM and its subsidiaries subject to fulfilment of relevant vesting conditions.

The above Consolidated Statement of Changes in Equity are to be read in conjunction with the Notes to the Financial Statements on pages 34 to 151.
Independent Auditors' Report – Pages 153 to 156.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2022

All amounts are in million unless otherwise stated	Note	Special Share*/ Ordinary Shares Share Capital RM	FVOCI Reserves RM	Hedging Reserve RM	Cost of Hedging Reserve RM	Long Term Incentive Plan Reserve RM	Retained Profits RM	Total Equity RM
At 1 January 2022		3,729.0	94.0	13.5	22.7	126.8	2,543.3	6,529.3
Profit for the financial year		-	-	-	-	-	959.6	959.6
Other comprehensive income								
Items that will not be reclassified subsequently to income statement:								
- increase in fair value of equity investments at FVOCI	30(a)	-	7.5	-	-	-	-	7.5
Items that may be reclassified subsequently to income statement:								
- decrease in fair value of investments at FVOCI	30(b)	-	(3.9)	-	-	-	-	(3.9)
- reclassification adjustments relating to FVOCI investments disposed	8	-	0.2	-	-	-	-	0.2
- increase in fair value of receivables at FVOCI	31	-	1.3	-	-	-	-	1.3
- cash flow hedge								
- decrease in fair value of cash flow hedge	20	-	-	(2.9)	-	-	-	(2.9)
- change in fair value currency basis	20	-	-	-	(5.9)	-	-	(5.9)
- reclassification to foreign exchange loss on borrowings	9	-	-	(23.8)	-	-	-	(23.8)
Total comprehensive income/(loss) for the financial year		-	5.1	(26.7)	(5.9)	-	959.6	932.1
Transactions with owners:								
Shares issued pursuant to Dividend Reinvestment Scheme (DRS)	13	180.4	-	-	-	-	-	180.4
Final interim dividend paid for the financial year ended 31 December 2021	12	-	-	-	-	-	(226.4)	(226.4)
Interim dividend paid for the financial year ended 31 December 2022	12	-	-	-	-	-	(340.9)	(340.9)
Long Term Incentive Plan (LTIP):								
- ordinary shares granted**	14,15	-	-	-	-	31.4	-	31.4
- transfer from LTIP reserve upon issuance of shares on vesting		77.1	-	-	-	(77.1)	-	-
Total transactions with owners		257.5	-	-	-	(45.7)	(567.3)	(355.5)
At 31 December 2022		**3,986.5**	**99.1**	**(13.2)**	**16.8**	**81.1**	**2,935.6**	**7,105.9**

* Issued and fully paid shares include the Special Rights Redeemable Preference Share (Special Share) of RM1.00. Refer to note 13(a) to the audited financial statements for details of the terms and rights attached to the Special Share.

** The apportionment over the vesting period of the fair value of the Group's granting of TM shares made to eligible employees of TM and its subsidiaries subject to fulfilment of relevant vesting conditions.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2022

All amounts are in million unless otherwise stated	Note	Special Share*/ Ordinary Shares Share Capital RM	FVOCI Reserves RM	Hedging Reserve RM	Cost of Hedging Reserve RM	Long Term Incentive Plan Reserve RM	Retained Profits RM	Total Equity RM
At 1 January 2021		3,728.6	97.7	16.6	31.1	88.0	2,531.3	6,493.3
Profit for the financial year		-	-	-	-	-	559.2	559.2
Other comprehensive income								
Items that will not be reclassified subsequently to income statement:								
- increase in fair value of equity investments at FVOCI	30(a)	-	8.1	-	-	-	-	8.1
Items that may be reclassified subsequently to income statement:								
- decrease in fair value of investments at FVOCI	30(b)	-	(7.4)	-	-	-	-	(7.4)
- reclassification adjustments relating to FVOCI investments disposed	8	-	(1.1)	-	-	-	-	(1.1)
- decrease in fair value of receivables at FVOCI	31	-	(3.3)	-	-	-	-	(3.3)
- cash flow hedge								
- increase in fair value of cash flow hedge	20	-	-	10.4	-	-	-	10.4
- change in fair value currency basis	20	-	-	-	(8.4)	-	-	(8.4)
- reclassification to foreign exchange loss on borrowings	9	-	-	(13.5)	-	-	-	(13.5)
Total comprehensive (loss)/income for the financial year		-	(3.7)	(3.1)	(8.4)	-	559.2	544.0
Transactions with owners:								
Final interim dividend paid for the financial year ended 31 December 2020	12	-	-	-	-	-	(283.0)	(283.0)
Interim dividend paid for the financial year ended 31 December 2021	12	-	-	-	-	-	(264.2)	(264.2)
Long Term Incentive Plan (LTIP):								
- ordinary shares granted**	14,15	-	-	-	-	39.2	-	39.2
- transfer from LTIP reserve upon issuance of shares on vesting		0.4	-	-	-	(0.4)	-	-
Total transactions with owners		0.4	-	-	-	38.8	(547.2)	(508.0)
At 31 December 2021		3,729.0	94.0	13.5	22.7	126.8	2,543.3	6,529.3

* Issued and fully paid shares include the Special Rights Redeemable Preference Share (Special Share) of RM1.00. Refer to note 13(a) to the audited financial statements for details of the terms and rights attached to the Special Share.

** The apportionment over the vesting period of the fair value of the Group's granting of TM shares made to eligible employees of TM and its subsidiaries subject to fulfilment of relevant vesting conditions.

The above Company Statement of Changes in Equity are to be read in conjunction with the Notes to the Financial Statements on pages 34 to 151.
Independent Auditors' Report – Pages 153 to 156.

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2022

All amounts are in million unless otherwise stated	Note	The Group 2022 RM	The Group 2021 RM	The Company 2022 RM	The Company 2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES	40	**3,265.8**	2,975.6	**2,770.0**	2,465.0
CASH FLOWS USED IN INVESTING ACTIVITIES	41	**(1,334.9)**	(2,320.2)	**(1,156.2)**	(2,029.7)
CASH FLOWS USED IN FINANCING ACTIVITIES	42	**(1,465.6)**	(2,946.1)	**(1,165.4)**	(2,783.7)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**465.3**	(2,290.7)	**448.4**	(2,348.4)
EFFECT OF EXCHANGE RATE CHANGES		**(1.0)**	24.3	**-**	22.1
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		**1,880.0**	4,146.4	**1,444.3**	3,770.6
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	37	**2,344.3**	1,880.0	**1,892.7**	1,444.3

The above Statements of Cash Flows are to be read in conjunction with the Notes to the Financial Statements on pages 34 to 151.
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NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2022

All amounts are in million unless otherwise stated

1. PRINCIPAL ACTIVITIES

The principal activities of the Group and of the Company are the establishment, maintenance and provision of telecommunications and related services. The details and principal activities of subsidiaries are set out in note 53 to the audited financial statements. There were no significant changes in the principal activities of the Group and of the Company during the financial year.

Telekom Malaysia Berhad is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad. The registered office of the Company is Level 51 North Wing, Menara TM, Jalan Pantai Baharu, 50672 Kuala Lumpur. The principal office and place of business of the Company is Menara TM, Jalan Pantai Baharu, 50672 Kuala Lumpur.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation of the Financial Statements

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

The financial statements have been prepared under the historical cost convention except as disclosed in the Significant Accounting Policies below.

The preparation of financial statements 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 disclosures of contingent assets and liabilities as at the reporting date, and the reported amounts of the revenue and expenses during the reported period. It also requires the Directors to exercise their judgements in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgements are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgements or complexities, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3 to the audited financial statements.

(i) The amendments to published standards that are effective and applicable for the Group's and the Company's financial year beginning 1 January 2022

The amendments to published standards that are effective and applicable to the Group and the Company are as follows:

Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 9	Annual Improvements to MFRS Standards 2018-2020

- Amendments to MFRS 137 "Onerous Contracts – Cost of Fulfilling a Contract" clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts. The amendments also clarify that before recognising a separate provision for an onerous contract, impairment loss that has occurred on assets used in fulfilling the contract should be recognised.

- Amendments to MFRS 116 "Property, Plant and Equipment – Proceeds Before Intended Use" prohibit an entity from deducting from the cost of a property, plant and equipment the proceeds received from selling items produced by the property, plant and equipment before it is ready for its intended use. The sales proceeds should instead be recognised in profit or loss. The amendments also clarify the costs of testing whether an asset is functioning properly refers to assessing its technical and physical performance rather than the financial performance of the asset.

- Amendments to MFRS 3 "Reference to the Conceptual Framework" replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework. The amendments do not change the current accounting for business combinations on acquisition date. The amendments provide an exception to the recognition principle of MFRS 3 for the recognition of liabilities and contingent liabilities. These should be recognised in accordance with the principles of MFRS 137 "Provisions, Contingent Liabilities and Contingent Assets" and IC Interpretation 21 "Levies" when the liabilities are within their scope. It also clarifies that contingent assets should not be recognised at the acquisition date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of Preparation of the Financial Statements (continued)

(i) The amendments to published standards that are effective and applicable for the Group's and the Company's financial year beginning 1 January 2022 (continued)

- Annual Improvements to MFRS 9 "Fees in the 10% test for derecognition of financial liabilities" clarifies an entity includes only fees paid or received between the borrower and the lender, including the fees paid or received on each other's behalf, when it applies the 10% test in assessing whether to derecognise a financial liability. An entity shall apply the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The adoption of the above applicable amendments to published standards have not led to any material impact on the financial result, position or disclosure for the current or previous periods nor any of the Group's and of the Company's significant accounting policies.

(ii) Amendments to published standards that have been issued but not yet effective and have not been adopted early by the Group and the Company

Effective for annual periods beginning on or after 1 January 2023

Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current

Effective for annual periods to be announced by MASB

Amendments to MFRS 10 and 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

- Amendments to MFRS 101 "Disclosure of Accounting Policies" require companies to disclose material accounting policies specific to the entity and not generic disclosures on MFRS applications.

- Amendments to MFRS 108 "Accounting Policies, Changes in Accounting Estimates and Errors" redefines the definition of accounting estimates as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments provide clarity on how to distinguish changes in accounting policies from changes in accounting estimates and clarify that effects of a change in an input or measurement technique used to develop an accounting estimate is a change in accounting estimate, if they do not arise from prior period errors.

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

- Amendments to MFRS 16 "Lease Liability in a Sale and Leaseback" requires a seller-lessee to determine the "lease payments" or "revised lease payments" in the measurement of lease liabilities 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. However, the amendments do not prevent a seller-lessee from recognising any gain or loss relating to the partial or full termination of a lease in profit or loss.

- Amendments to MFRS 101 "Classification of Liabilities as Current or Non-current" requires an entity to classify a liability as non-current if an entity has the right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. If the right to defer settlement of a liability is subject to the entity complying with specified conditions (for example, debt covenants), the right exists at the end of the reporting period based on its compliance with the conditions required on or before the reporting date (even if tested only after period end). Conditions that an entity is required to comply only within 12 months after the reporting period do not affect the classification of liability as current or non-current at reporting date.

NOTES TO THE FINANCIAL STATEMENTS
for the Financial Year Ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of Preparation of the Financial Statements (continued)

(ii) Amendments to published standards that have been issued but not yet effective and have not been adopted early by the Group and the Company (continued)

- Amendments to MFRS 10 and MFRS 128 on "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" address an acknowledged inconsistency between the requirements in MFRS 10 "Consolidated Financial Statements" and MFRS 128 "Investment in Associates and Joint Ventures". Full gain or loss should be recognised on the loss of control of a business, whether the business is housed in a subsidiary or not. At the same time, the gain or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in MFRS 3 "Business Combinations" to an associate or joint venture should only be recognised to the extent of unrelated investors' interests in the associate or joint venture.

The adoption of the above annual improvements and amendments to published standards are not expected to have a material impact on the financial statements of the Group and of the Company.

(b) Economic Entities in the Group

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the entity),
- Exposure, or rights, to variable returns from its involvement with the entity, and
- The ability to use its power over the entity to affect its returns.

When the Group has less than a majority of the voting or similar rights of an entity, the Group considers all relevant facts and circumstances in assessing whether it has power over that entity, including:

- The contractual arrangement with the other vote holders of the entity
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are consolidated using the acquisition method of accounting except for business combinations involving entities or businesses under common control with agreement dates on/after 1 January 2006, which were accounted for using the merger method.

Under the acquisition method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are excluded from consolidation from the date that control ceases.

The consideration transferred for acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred.

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.

If a business combination is achieved in stages, the previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and the resulting gains or losses arising from such remeasurement are recognised in the Consolidated Income Statement.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised in the Consolidated Income Statement (refer to Significant Accounting Policies note 2(f)(i) on Goodwill).

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Economic Entities in the Group (continued)

(i) Subsidiaries (continued)

Non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to a parent. On an acquisition-by-acquisition basis, the Group measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

At the end of reporting period, non-controlling interest consists of amount calculated on the date of combinations and its share of changes in the subsidiary's equity since the date of combination.

Intra-group transactions, balances and unrealised gains or losses 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 accounting policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Financial Position respectively.

When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in the Consolidated Income Statement. 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 reclassified to Consolidated Income Statement.

(ii) Transactions with non-controlling interests

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, transactions with the equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share of the carrying value of net assets of the subsidiary acquired is recorded in equity. For disposals to non-controlling interests, differences between any proceeds received and the relevant share of non-controlling interests are also recognised in equity.

(iii) Associates

Associates are corporations, partnerships or other entities in which the Group exercises significant influence but which it does not control nor jointly control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting and are initially recognised at cost. The Group's investments in associates include goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its associates' post-acquisition profits or losses is recognised in the Consolidated Income Statement, and its share of post-acquisition movements in reserves is recognised within other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investments. Dividend received or receivable from an associate recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long term interest that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and presents the amount adjacent to "share of profit/(loss) of an associate" in the Income Statement. The results of associates are taken from the most recent unaudited financial statements of the associates concerned, made up to dates not more than 3 months prior to the end of the financial year of the Group.

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year Ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Economic Entities in the Group (continued)

(iii) Associates (continued)

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, in applying the equity method, appropriate adjustments are made to the financial statements of the associates to ensure consistency of accounting policies with those of the Group.

When the Group ceases to equity account its associate because of a loss of significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in the Consolidated Income Statement. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset. In addition, any amounts previously recognised in other comprehensive income are reclassified to Consolidated Income Statement.

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

Dilution gains and losses are recognised in the Consolidated Income Statement.

When the Group increases its stake in an existing investment and the investment becomes an associate for the first time, the Group determines the costs of investment by accumulating the cost of all purchases (including the related transaction costs). The Group does not revalue its previously owned share of net assets to fair value. Any existing revaluation reserve in equity for previously held interest is reclassified within equity. Share of profits (after dividends) together with share of reserves relating to the previously held interest are added to cost of investment. Goodwill is determined on acquisition date, based on the difference between the cost of the investment (which comprise of both fair value of consideration transferred for additional interest and cost of purchases of interest previously held) and the Group's share of fair value of the associate's net assets.

(c) Investments in Subsidiaries and Associates in Separate Financial Statements

Investments in subsidiaries and associates are stated at cost less accumulated impairment losses in the Company's separate financial statements. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount (refer to Significant Accounting Policies note 2(g) on Impairment of Non-Financial Assets). Impairment losses are charged to the Income Statement.

On disposal of investments in subsidiaries and associates, the difference between the net disposal proceeds and the carrying amounts of the investments are recognised in the Income Statement.

(d) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Certain freehold land are carried at fair value, being their deemed cost in accordance with the exemption provided by MFRS 1 "First-time Adoption of Malaysian Financial Reporting Standards" as at 1 January 2011, the date of transition to MFRS.

(i) Cost

Cost of telecommunications network comprises expenditure up to and including the last distribution point before the customers' premises and includes contractors' charges, materials, direct labour and related overheads. The cost of other property, plant and equipment comprises their purchase cost and any incidental cost of acquisition. These costs include the costs of dismantling, removal and restoration, the obligation which was incurred as a consequence of installing the asset. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (refer to Significant Accounting Policies note 2(p)(ii) on borrowing costs).

Subsequent cost is included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefit associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Income Statement during the period in which they are incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property, Plant and Equipment (continued)

(ii) Depreciation

Freehold land is not depreciated as it has an infinite life. Leasehold land is depreciated over the period of its respective lease and is classified as long-term lease if it has an unexpired lease period of 50 years and above. Other property, plant and equipment are depreciated on a straight line basis to allocate the cost of the assets to their residual values over their estimated useful lives in years as summarised below:

	2022	2021
Telecommunications civil works, ducts and manholes	**30**	30
Telecommunications network and infrastructure related	**2 - 20**	3 - 25
Movable plant and equipment	**5 - 8**	5 - 8
Computer support systems	**3 - 8**	3 - 8
Buildings	**5 - 40**	5 - 40

Capital work-in-progress are stated at cost and are not depreciated. Upon completion, capital work-in-progress are transferred to categories of property, plant and equipment depending on the nature of the assets. Capital work-in-progress includes servicing equipment, materials and spares. All these materials are charged to the Income Statement as and when they are being utilised. Depreciation on property, plant and equipment under construction commences when the property, plant and equipment are ready for their intended use. Depreciation on property, plant and equipment ceases at the earlier of derecognition and classification as held for sale.

(iii) Impairment

At each reporting date, the Group assesses whether there is any indication of impairment. If such indication exists, an analysis is performed to assess whether the carrying value of the asset is fully recoverable. A write-down is made if the carrying value exceeds the recoverable amount (refer to Significant Accounting Policies note 2(g) on Impairment of Non-Financial Assets).

(iv) Gains or Losses on Disposal

Gains or losses on disposal are determined by comparing the proceeds with the carrying amount of the related asset and are included in other operating income in the Income Statement.

(v) Asset Exchange Transaction

Property, plant and equipment may be acquired in exchange for a non-monetary asset or for a combination of monetary and non-monetary assets and is measured at fair values unless
- the exchange transaction lacks commercial substance; or
- the fair value of neither the assets received nor the assets given up can be measured reliably.

The acquired item is measured in this way even if the Group cannot immediately derecognise the assets given up. If the acquired item is not reliably measured at fair value, its cost is measured at the carrying amount of the asset given up.

(vi) Repairs and Maintenance

Repairs and maintenance are charged to the Income Statement during the period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. This cost is depreciated over the remaining useful life of the related asset.

(e) Investment Properties

Investment properties, principally comprising land and office buildings, are held for long term rental yields or for capital appreciation or for both, and are not occupied by the Company.

Investment properties are carried at cost less accumulated depreciation and impairment losses. Investment properties are depreciated on a straight line basis to allocate the cost of the investment properties to their residual values over their estimated useful lives in years as summarised below:

Building	40
Freehold land	Not depreciated as it has infinite life

NOTES TO THE FINANCIAL STATEMENTS
for the Financial Year Ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Investment Properties (continued)

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected, then it shall be derecognised. Gains or losses on disposals are determined by comparing the net disposal proceeds with the carrying amount and are included in the Income Statement.

(f) Intangible Assets

(i) Goodwill

Goodwill represents the excess of the aggregate of fair value of consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previously equity interest in the acquiree over the fair value of the net identifiable assets acquired and liabilities assumed including contingent liabilities at the date of acquisition. If the fair value of the consideration transferred, the amount of non-controlling interest and the fair value of previously held interest in the acquiree are less than the fair value of the net identifiable assets of the acquiree, the resulting gain is recognised in the Consolidated Income Statement.

Goodwill is carried at cost less accumulated impairment losses. Goodwill is tested for impairment at least annually, or when events or circumstances occur indicating that an impairment may exist.

For the purpose of impairment testing, goodwill is allocated to each of the cash-generating units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each cash-generating unit or a group of cash-generating units represents the lowest level within the Group at which goodwill is monitored for internal management purposes. Goodwill is monitored at operating segment level. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value-in-use and the fair value less cost of disposal. Any impairment is recognised immediately as an expense and not subsequently reversed.

(ii) Software

Acquired software costs and development costs that are directly associated with identifiable and unique software products controlled by the Group and the Company that will generate probable future economic benefits exceeding costs beyond one year are recognised as intangible assets. The assets are amortised from the point which they are ready for use. Amortisation is calculated on a straight line basis over their estimated useful lives as summarised as below:

Infrastructure Software	5 - 8
Application Software	3 - 8
Others	3 - 8

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.

Computer software for a computer-controlled machine tool that cannot operate without that specific software is an integral part of the related hardware and it is accounted for as property, plant and equipment as disclosed under note 2(d) of the audited financial statements of the Group and the Company. Software that is not an integral part of the related hardware is accounted for as an intangible asset.

Other development expenditures that do not meet these criteria are recognised as expenses as and when incurred. Development costs previously recognised as expenses are not recognised as assets in any subsequent period.

At each reporting date, the Group and the Company assess whether there is any indication of impairment. If such indication exists, an analysis is performed to assess whether the carrying value of the asset is fully recoverable.

Costs associated with maintaining computer software programmes are recognised as expenses as and when incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Intangible Assets (continued)

(iii) Programme Rights

Programme rights comprise rights licensed from third parties with the primary intention to broadcast in the normal course of operating cycle. The rights are stated at cost less accumulated amortisation and accumulated impairment losses (refer to Significant Accounting Policies note 2(g) on Impairment of Non-Financial Assets).

The Group amortises programme rights on a straight line basis over the license period or estimated useful life if shorter, from the date of first transmission, to match the costs of consumption with the estimated benefits to be received. Amortisation is included in the Income Statement.

(iv) Telecommunication Spectrum

Telecommunication spectrum acquired in a business combination is carried at cost less accumulated amortisation. Amortisation is calculated on a straight line basis over the estimated useful life of 7 years. It is subjected for impairment review whenever adverse events or changes in circumstances indicate that impairment may have occurred.

Other telecommunication spectrums acquired through Spectrum Assignment ("SA") are amortised based on the assignment term of the respective spectrum bands. They are subjected for impairment review whenever adverse events or changes in circumstances indicate that impairment may have occurred. The annual fees incurred during the SA periods are recognised as expenses in the Income Statement.

(g) Impairment of Non-Financial Assets

Assets that have an indefinite useful life, for example goodwill or intangible assets not ready to use, are not subject to amortisation and are tested for impairment annually, or as and when events or circumstances occur indicating that an impairment may exist. Property, plant and equipment and other non-current assets, including intangible assets with definite useful life, are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows (cash-generating units). Assets other than goodwill that suffered an impairment are reviewed for possible reversal at each reporting date.

The impairment loss is charged to the Income Statement. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in the Income Statement.

(h) Financial Assets

Financial assets – classification and measurement

(i) Classification

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

- Those to be measured subsequently at fair value (either through other comprehensive income (FVOCI) or through profit or loss), and
- Those to be measured at amortised cost.

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

(ii) Recognition and derecognition

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

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year Ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial Assets (continued)

Financial assets – classification and measurement (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 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 (SPPI).

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classify their debt instruments:

(a) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the Income Statement.

(b) FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses).

Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the Income Statement.

(c) FVTPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Group and the Company may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes are recognised in profit or loss and presented net within other gains/(losses) in the period when they arise.

Equity instruments

The Group and the Company subsequently measure all equity investments at fair value except for subsidiaries and associates. 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 investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's and the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the Income Statement as applicable.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial Assets (continued)

Financial assets – classification and measurement (continued)

(iii) Measurement (continued)

Trade and other receivables

Trade receivables are amounts due from customers for merchandise 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 of the Company. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, where they are recognised at fair value plus transaction costs. Other receivables are recognised initially at fair value plus transaction costs. Transaction costs include transfer taxes and duties.

After recognition, trade and other receivables are subsequently measured at amortised cost using the effective interest method, less loss allowance (refer to Significant Accounting Policies note 2(i) on Impairment of Financial Assets).

(i) Impairment of Financial Assets

(a) Subsequent measurement – Impairment

Impairment for contract assets, debt instruments and financial guarantee contracts

The Group assesses on a forward looking basis the expected credit loss (ECL) associated with its debt instruments carried at amortised cost and at FVOCI and financial guarantee contracts issued. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group has contract assets and five types of financial instruments that are subject to the ECL model:

- Trade receivables
- Other receivables
- Loans to subsidiaries
- Receivables at FVOCI
- Financial guarantee contracts

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

ECL represents a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group expects to receive, over the remaining life of the financial instrument. For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group and the Company expect to receive from the holder, the debtor or any other party.

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.

(i) General 3-stage approach for receivables other than trade and contract assets

At each reporting date, the Group measures ECL through loss allowance at an amount equal to 12 month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equals to lifetime ECL is required. Note 4(a)(ii)(c)(ii) sets out the measurement details of ECL.

NOTES TO THE FINANCIAL STATEMENTS
for the Financial Year Ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Impairment of Financial Assets (continued)

(a) Subsequent measurement – Impairment (continued)

(ii) Simplified approach for trade receivables and contract assets

The Group applies the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables and contract assets. Note 4(a)(ii)(c)(i) sets out the measurement details of ECL.

Significant increase in credit risk

The Group considers 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 compares 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. It considers available reasonable and supportable forward-looking information.

The following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- 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 increases in credit risk on other financial instruments of the same debtor
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behavior 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 30 days past due in making a contractual payment.

Definition of default and credit-impaired financial assets

The Group defines 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:

<u>Quantitative criteria:</u>

The Group defines a financial instrument as default, when the counterparty fails to make contractual payment within 90 and 365 days of when they fall due for trade receivable and non-trade receivable balances respectively.

<u>Qualitative criteria:</u>

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group considers 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
- the debtor is insolvent.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Impairment of Financial Assets (continued)

(a) Subsequent measurement – Impairment (continued)

(ii) Simplified approach for trade receivables and contract assets (continued)

Groupings of instruments for measurement of ECL

(i) Collective assessment

To measure ECL, trade receivables and contract assets arising from the Unifi, TM One and TM Global business clusters have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled services provided and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group and the Company have therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

(ii) Individual assessment

Trade receivables and contract assets which are in default or credit-impaired are assessed individually.

Loans to 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 each loan to subsidiary.

Write-off

(i) Trade receivables and contract assets

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, early termination of contract by customers and a failure to make contractual payments for a prolonged period.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

(ii) Other receivables

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

(j) Derivative Financial Instruments and Hedging Activities

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 other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the Income Statement within "other gains or losses – net". Where the Group and the Company exclude the foreign currency basis spread from the designation of derivatives used as hedging instrument, the change in the foreign currency basis spread of the hedging instrument is recognised in other comprehensive income and accumulated in costs of hedging reserve within equity. The Group and the Company designate the cost of hedging application in relation to foreign currency basis spread on a hedge by hedge basis.

Amounts accumulated in equity (including the cost of hedging reserve) are reclassified to the Income Statement in the periods when the hedged cash flows affects the Income Statement. The gain or loss relating to the effective portion of cross currency interest rate swaps and interest rate swap hedging fixed rate borrowings is recognised in the Income Statement within "finance cost".

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year Ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Derivative Financial Instruments and Hedging Activities (continued)

Cash flow hedge (continued)

The Group and the Company had applied the following Phase 1 reliefs provided by the Amendments to MFRS 9 and MFRS 7 "Interest Rate Benchmark Reform" until the uncertainty arising from IBOR reform no longer being present:

- When considering the "highly probable" requirement, the Group and the Company have assumed that the IBOR interest rate on which the Group's and the Company's hedged borrowings is based does not change as a result of IBOR reform.
- In assessing whether the hedge is expected to be highly effective on a forward looking basis the Group and the Company have assumed that the IBOR interest rate on which the cash flows of the hedged borrowings and the interest rate swap that hedges it are based is not altered by IBOR reform.
- The Group and the Company have not recycled the cash flow hedge reserve for designated hedges that are subject to the IBOR reform.

The Group and the Company have applied the following reliefs provided by the Amendments to MFRS 9 and MFRS 7 "Interest Rate Benchmark Reform-Phase 2":

- Hedge designation: When the Phase 1 amendments cease to apply, the Group and the Company will amend its hedge designation to reflect changes which are required by IBOR reform, but only to make one or more of the following changes:

  a) designating an alternative benchmark rate (contractually or non-contractually specified) as a hedged risk;
  b) amending the description of the hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or
  c) amending the description of the hedging instrument.

  The Group and the Company amend their hedge documentation to reflect this change in designation by the end of the reporting period in which the changes are made. These amendments to the hedge documentation do not require the Group and the Company to discontinue their hedge relationships.

- Amounts accumulated in the cash flow hedge reserve: When the Group and the Company amend their hedge designation as described above, the accumulated amount outstanding in the cash flow hedge reserve is deemed to be based on the alternative benchmark rate. For discontinued hedging relationships, when the interest rate benchmark on which the hedged future cash flows were based has changed as required by IBOR reform, the amount accumulated in the cash flow hedge reserve is also deemed to be based on the alternative benchmark rate for the purpose of assessing whether the hedged future cash flows are still expected to occur.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the 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 in the Income Statement.

(k) Embedded Derivatives

Derivatives embedded in financial liabilities are treated as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contract and the host contract is not itself held-for-trading or designated as fair value to profit or loss. The embedded derivatives separated from the host are carried at fair value to profit or loss with changes in the fair value recognised in the Income Statement.

(l) Inventories

Inventories are stated at lower of cost and net realisable value.

Cost is determined on a weighted average basis and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location. The cost of finished goods comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Non-current Assets Held for Sale

Non-current assets are classified as held for sale when their carrying amounts are to be recovered principally through sale transaction rather than through continuing use and the sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset 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, 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 is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets in the Statement of Financial Position.

If a non-current asset ceases to be classified as held for sale, it is stated at the lower of carrying amount before the asset was classified as held for sale, adjusted for any depreciation or amortisation that would have been recognised had the asset not been classified as held for sale and its recoverable amount at the date of subsequent decision not to sell.

Any adjustment to the carrying amount of a non-current asset that ceases to be classified as held for sale is recognised in the Income Statement in the period in which the criteria for the non-current asset to be classified as held for sale are no longer met.

(n) Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, cash equivalents are held for the purpose of meeting short-term cash commitment rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Deposits held as pledged securities for term loans granted are not included as cash and cash equivalents.

(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 particular instrument.

Distribution to holders of a financial instrument classified as an equity instrument is debited directly to equity.

(ii) Share Issue Costs

Incremental costs directly attributable to the issuance of new shares or options are deducted against equity.

(iii) Dividend to Shareholders of the Company

Dividends on redeemable preference shares are recognised as a liability and expressed on an accrual basis. Other dividends are recognised as a liability in the period in which they are declared.

Dividend in specie of shares distributed to the Group's and the Company's shareholders is recorded at the carrying value of net asset distributed. The distribution is recorded as a movement in equity.

(p) Financial Liabilities

Trade and other payables, customer deposits and borrowings are classified as other financial liabilities. These are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(i) Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

NOTES TO THE FINANCIAL STATEMENTS
for the Financial Year Ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Financial Liabilities (continued)

(ii) Bonds, Notes, Debentures and Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the initial recognised amount and the redemption value is recognised in the Income Statement over the period of the borrowings using the effective interest method, except for borrowing costs incurred for the construction of any qualifying asset.

Interests, dividends, gains and losses relating to a financial instrument, or a component part, classified as a liability are reported within finance cost in the Income Statement. Foreign exchange gains or losses arising from translation of foreign currency borrowings are reported within "finance cost" in the Income Statement.

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 12 months after the reporting date.

Borrowing cost incurred in connection with financing the construction and installation of property, plant and equipment is capitalised until the property, plant and equipment are ready for their intended use. All other borrowing costs are charged to the Income Statement.

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 facilities 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 the Income Statement within finance costs.

When the basis to determine the future contractual cash flows of the borrowings are modified entirely as a result of IBOR reform, the Group and the Company applied the reliefs provided in the Phase 2 amendments of IBOR reform with no modification gain or loss is recognised.

In situations where some or all of a change in the basis for determining the contractual cash flows of a borrowing 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 is not derecognised).

(q) Leases

(a) Accounting by lessee

Leases are recognised as right-of-use (ROU) asset and a corresponding liability at the date on which the leased asset is available for use by the Group and the Company (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group and the Company allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases such as properties and customer premise equipment (CPE) for which the Group and the Company are lessees, they have elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Leases (continued)

(a) Accounting by lessee (continued)

(i) Lease term

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

The Group and the Company reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and of the Company and affects whether the Group and the Company are reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities (refer to (iv) below).

(ii) Right-of-use (ROU) assets

ROU assets are initially measured at cost comprising the following:

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

ROU assets that are not investment properties 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 asset is depreciated over the underlying asset's useful life.

In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities due to modification and termination of lease contracts.

(iii) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivables;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group and the Company under residual value guarantees;
- The exercise price of a purchase and extension options if the Group and the Company are reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising that option.

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 rate 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 in a similar economic environment with similar term, security and conditions.

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. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs. The Group and the Company present the lease liabilities as a separate line item in the Statement of Financial Position. Interest expense on the lease liability is presented within the finance cost in the Income Statement.

NOTES TO THE FINANCIAL STATEMENTS
for the Financial Year Ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Leases (continued)

(a) Accounting by lessee (continued)

(iv) Reassessment of lease liabilities

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

A change in lease payments including rent concession, other than those arising from a change in amounts expected to be payable under residual value guarantees or in an index or rate used to determine lease payments, is accounted for as a lease modification if it is not part of the original terms and conditions of the lease. The lease modification is accounted for as either a new lease or as a remeasurement of an existing lease liability, depending on the criteria set in MFRS 16.

The Group and the Company account for COVID-19 related rent concession as a variable lease payment in the period in which the event or condition that triggers the reduced payment occurs. The impacts of rent concessions is not material to the financial statements of the Group and of the Company.

(v) Short-term leases & low value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets are those with individual asset cost of less than RM25,000 and comprise 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.

(vi) Impairment

At each reporting date, the Group and the Company assess whether there is any indication of impairment. If such indication exists, an analysis is performed to assess whether the carrying value of the asset is fully recoverable. A write-down is made if the carrying value exceeds the recoverable amount (refer to Significant Accounting Policies note 2(g) on Impairment of Non-Financial Assets).

(b) Accounting by lessor

As lessor, the Group and the Company determine at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group and the Company make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Group and the Company consider certain indicators such as whether the lease is for the major part of the economic life of the asset.

Finance leases

The Group and the Company classify a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group and the Company derecognise the underlying asset and recognise a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from lessee and the unguaranteed residual value of the underlying asset. Initial direct costs are also included in the initial measurement of the net investment.

The net investments is subject to MFRS 9 impairment (refer to Significant Accounting Policies note 2(i) on Impairment of Financial Assets). In addition, the Group and the Company review regularly the estimated unguaranteed residual value.

Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return. The Group and the Company revise the lease income allocation if there is a reduction in the estimated unguaranteed residual value.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Leases (continued)

(b) Accounting by lessor (continued)

Operating leases

The Group and the Company classify a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group and the Company recognise lease payments received under operating lease as lease income on a straight line basis over the lease term.

When assets are leased out under an operating lease, the asset is included in the Statement of Financial Position based on the nature of the asset. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of underlying asset and recognised as an expense over the lease term on the same basis as lease income.

Sublease classification

When the Group or the Company is an intermediate lessor, it assesses the lease classification of a sublease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is short-term lease to which the Group and the Company apply the exemption described above, then it classifies the sublease as an operating lease.

Separating lease and non-lease components

If an arrangement contains lease and non-lease components, the Group and the Company allocate the consideration in the contract to the lease and non-lease components based on the stand-alone selling prices in accordance with the principles in MFRS 15.

(r) Government Grants

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 income are deferred and recognised in the Income Statement over the financial 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 Income Statement on a straight line basis over the estimated useful lives of the related assets.

(s) Income Taxes

Tax expense for the period comprises current and deferred income tax. Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits, including withholding taxes payable by foreign subsidiaries or associates on distributions of retained profits to companies in the Group, and real property gains taxes payable on disposal of properties. Tax is recognised in the Income Statement, 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.

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, and associates operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is 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 nor loss. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

NOTES TO THE FINANCIAL STATEMENTS
for the Financial Year Ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Income Taxes (continued)

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available in the future, against which the deductible temporary differences or unutilised tax losses and tax credits (including investment allowances) can be utilised.

Deferred tax is recognised on temporary differences arising from investments in subsidiaries and associates except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The Group's share of income taxes of associates is included in the Group's share of results of associates.

(t) Provisions

Provisions are recognised when the Group or the Company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in a settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost.

(u) Contingent Liabilities and Contingent Assets

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group 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. However, contingent liabilities do not include financial guarantee contracts.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise a contingent asset but discloses its existence where inflows of economic benefits are 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 non-controlling interest.

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 acquisitions.

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 "Provisions, Contingent Liabilities and Contingent Assets" and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with MFRS 15 "Revenue from Contracts with Customers".

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Revenue Recognition

(i) Revenue recognition and allocation for bundled contracts with customers

(a) Revenue from Internet and multimedia, voice and data services

Revenue from Internet and multimedia, voice and data services are bundled contracts prevalent to the Unifi, TM One and TM Global segments of the Group's and of the Company's business. It is common for contracts with customers for these services to require a minimum subscription period, whereby any early termination by the customer will result in a penalty charged against the customer. Such minimum subscription periods shall be taken as the contract period. Contract periods may be modified for extensions when customers accept equipment relating to the contract free of charges in exchange for an extension to the previous minimum contract period. Allocation of the total consideration receivable to the different components of the contract is based on the separate stand-alone selling price of each component.

Customer premise equipment (CPE) provided for Internet and multimedia and voice contracts are accounted for as a separate performance obligation to the customer. CPE for data services are mostly intrinsic to the services provided to customers and are not accounted for as a separate performance obligation. Revenue allocated to CPE is recognised upfront upon installation of the CPE at the inception of the contract. Consequently, this will reduce the monthly service revenue recognised when compared to the fixed amount billed subsequently on a recurring basis. This results in the recognition of a contract asset when the device or content is delivered before the payment is due whereas if the payment happens before the delivery of device or content, then a contract liability is recognised.

Other performance obligations in Internet and multimedia, voice and data services contracts are recognised on a straight line basis over the contractual period as services are provided on a continuous basis.

(b) Revenue from Wholesale Voice and Data services under Global Business

Certain wholesale services are contracted with volume discounts based on aggregated cumulative volume. Revenue from these contracts is recognised based on the price specified in the contract, net of the volume discounts estimated to be given over the contract period. Accumulated experience and expected trends are used to estimate and provide for the discounts, using the most likely value method. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The difference between the revenue recognised net of estimated discounts and the amount billed to customers are recognised as contract liabilities.

Revenue net of estimated discounts is recognised on a straight line basis over the contractual period.

(c) Revenue from Other telecommunication related services

Revenue from Other telecommunication related services mainly comprises revenue from contracts with customers of TM One which bundles the provision of data services and/or internet and voice services with customised Information and Communications Technology (ICT) products and solutions. It is common for these contracts to include the delivery, installation and maintenance services of telecommunication related equipment and network. Revenue from the Group's Business Process Outsourcing services are also disclosed under this category.

When the total contract price for a bundled contract is negotiated and concluded together, certain portions of the bundled equipment or services may be provided at discounted prices. The total consideration received in such bundled or multiple performance obligation contracts is allocated between the different performance obligations based on the stand-alone selling price of each component. Where these are not directly observable, they are estimated based on expected cost plus margin.

The progress towards complete satisfaction of the performance obligation is measured based on one of the following methods that best depict the Group's and the Company's performance in satisfying the performance obligation:

- direct measurements of the value transferred by the Group or the Company to the customer (i.e. certificates of acceptance); or
- the Group's efforts or inputs to the satisfaction of the performance obligation (i.e. costs incurred to date).

Consequently, the timing of revenue recognition may differ from the amount and frequency of contracted milestone billings. Contract assets will be recognised when the equipment or services are delivered before the relevant billings to customers are due, whereas if the billing to customers happen before the delivery of the associated equipment or services, then a contract liability is recognised.

NOTES TO THE FINANCIAL STATEMENTS
for the Financial Year Ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Revenue Recognition (continued)

(i) Revenue recognition and allocation for bundled contracts with customers (continued)

(d) Revenue from Non-telecommunication related services

Revenue from Non-telecommunication related services mainly comprise revenue from ticket collection from tourism activities at telecommunication towers and tuition fees from the Group's education cluster, among others. These contracts with customers are largely single performance obligation contracts.

(ii) Revenue from other sources

Finance income and dividend income is recognised and accounted for based on the requirements of MFRS 9.

Dividend income from investment in subsidiaries, associates and equity investments is recognised within "other operating income (net)" when a right to receive payment is established. Dividends that clearly represent a recovery of part of the cost of an investment is recognised in other comprehensive income, if it relates to an investment in equity instruments measured at fair value through other comprehensive income.

Finance income includes income from deposits with licensed banks, other financial institutions, other deposits and staff loans, and is recognised using the effective interest method. Finance income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset 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 asset (after deduction of the loss allowance).

(w) Contracts with Customers

(i) Contract Cost Assets

Sales commission and other third party acquisition costs resulting directly from securing contracts with customers will be capitalised when they are incremental and expected to be recovered over the contract period when it exceeds 12 months. These are then amortised on straight line basis over either the average customer retention period or the contract term, depending on the circumstances.

An impairment loss is recognised to profit or loss to the extent that the carrying amount of the contract acquisition cost asset recognised exceeds the remaining amount of consideration that the Group and the Company expect to receive for the specific contract that the costs relate to.

(ii) Contract Assets

Contract assets is the right of the Group and of the Company to receive consideration in exchange for goods or services that the Group and the Company have transferred to a customer conditioned to factor(s) other than the passage of time.

(iii) Contract Liabilities

The Group's and the Company's obligation to transfer goods or services to a customer for which the Group and the Company have received consideration in advance from customer is presented as contract liability. A contract liability is also recognised for expected volume discounts granted to customer for future purchases.

(iv) Receivables

The Group's and the Company's right to consideration that is unconditional (where only the passage of time is required before payment of that consideration is due) is presented as receivables.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Employee Benefits

(i) Short Term Employee Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group and of the Company.

(ii) Defined Contribution Plans

The Group's and the Company's contributions to defined contribution plans are charged to the Income Statement 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 whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group and the Company recognise termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting date are discounted to present value. These include limited medical benefits provided up to a certain age for eligible ex-employees under certain optional retirement scheme.

(iv) Share-based Compensation

- **Equity-settled Share-based Compensation**

  The fair value of the employee services received in exchange for the grant of shares to employees of the Group and of the Company are recognised as an expense in the Income Statement over the vesting period of the grant (or each respective grants in the event of multiple grants) with a corresponding increase in share-based payment reserve in equity.

  For shares granted to the employees of subsidiaries, the fair value of the grant is recognised as a cost to investment in the subsidiaries over the vesting period with a corresponding adjustment to equity.

- **Cash-settled Share-based Compensation**

  The fair value of the employee services received in exchange for the cash payment by the Group or the Company to employees in lieu of shares of the Group and of the Company are recognised at the fair value of the liability incurred, as expense in the Income Statement over the vesting period of the grant (or each respective grants in the event of multiple grants).

The total amount to be expensed over the respective vesting periods is determined by reference to the fair value of the shares granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in the assumptions about the number of shares that are expected to vest. At each reporting date, the Group and the Company revise estimates of the number of shares that are expected to vest. It recognises the impact of the revision of original estimates of the grant liability, if any, in the Income Statement with a corresponding adjustment to share-based payment reserve in equity.

The fair value of shares granted to employees of subsidiaries are allocated to the subsidiaries.

When the shares granted are vested and issued, the fair value is credited to share capital with corresponding debit to reserves and cash received (if any).

(y) 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 Ringgit Malaysia, which is the Company's functional and presentation currency.

NOTES TO THE FINANCIAL STATEMENTS
for the Financial Year Ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(y) Foreign Currencies (continued)

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement, except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings are presented in the Income Statement within "net finance cost". All other foreign exchange gains and losses are presented in the Income Statement within "operating costs".

(iii) Group Companies

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

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

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income. When a foreign operation is disposed off or sold, such exchange differences that were recorded in equity are recognised in the Income Statement as part of the gain or loss on disposal.

(z) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions.

Further disclosures on Segment Reporting are set out in note 46 to the audited financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates 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.

The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Group's and the Company's results and financial position are tested for sensitivity to changes in the underlying parameters. 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.

(a) Accounting for Contracts with Customers

Certain estimates were made in applying MFRS 15 for the Group and the Company. These estimates were made, amongst others, on volume commitments, transaction prices and future discounts, which took into consideration the circumstances and information that were available at the reporting date. Accordingly, the Group and the Company will continue to refine these estimates, where applicable.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(a) Accounting for Contracts with Customers (continued)

	Areas of Estimates	Basis of Estimates
(i)	Determination of Stand-alone Selling Price	The relative Stand-alone Selling Price (SSP) of each performance obligation is used as a basis to allocate the total contracted price from a contract with customer to the different performance obligations that the contract comprises of. Management estimates the SSP of performance obligations at contract inception based on observable prices for the type of hardware, goods or services likely to be provided in similar circumstances to similar customers. When observable market price is limited from the market, historical profit margins for actual similar services provided from recent years is used as a basis to be applied on planned or estimated cost to provide a service to arrive to a SSP.
(ii)	Measurement of progress of performance obligation	Certain contracts for which a combination of performance obligations may be delivered to the customer over a medium/long term period may require an estimate of percentage of completion of the services delivered to the customer based on the total costs incurred over expected cost of the contract. Where practicable, acceptance milestones from customers over total contracted deliverables are also used as a measure of progress.
(iii)	Determination of transaction price	Certain medium/long term wholesale contracts involve tiered or volume discounts given based on the transaction price of all services under that contract once a certain volume or number of sites of services is reached. Estimates are made on the expected discounts to be given for such contracts based on total cumulative services together with estimates of scales expected to be reached over the contract period and general economic environment affecting general level of demand from the particular customer. Adjustments on such estimates and its impact on the total transaction prices expected from the entire contract are revised cumulatively at least on an annual review basis.
(iv)	Allocation of discounts and transaction price to performance obligations	Management estimates the SSP at contract inception based on observable prices of the type of hardware likely to be provided and the services rendered in similar circumstances to similar customers. If discount is granted, either for certain or all performance obligations, it is allocated to all performance obligations within the contract based on their relative SSP.

(b) Estimated Useful Lives of Property, Plant and Equipment

The Group and the Company review annually the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage, changes in technology, latest findings in research and development, updated practices to enhance performance of certain network assets and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A change in the estimated useful lives of property, plant and equipment would change the recorded depreciation and the carrying amount of property, plant and equipment.

During the financial year, the Group and the Company revised the estimated useful lives of certain network and last mile elements including fibre optic cables, giving rise to an increase in depreciation charges for the current financial year ended from the shortening of useful lives as disclosed in note 2(d)(ii) to the audited financial statements. The revision reflects the expected economic usage of the Group's and the Company's telecommunication network. The change in the estimated useful lives is accounted for prospectively in accordance with MFRS 108 "Accounting Policies, Changes in Accounting Estimates and Errors". Further details are disclosed in note 23(c) to the audited financial statements.

(c) Useful Life of Intangibles Asset Acquired through Business Combination

The useful life over which intangible asset acquired through business combination are amortised depends on management's estimate of the period over which economic benefit will be derived from the asset. Useful lives are periodically reviewed to ensure that they remain appropriate. In respect of telecommunication spectrum as disclosed in notes 25 and 25(b) to the audited financial statements, the Group has commenced the amortisation of the spectrum in view of the expected rollout of 5G under the single wholesale network model during the previous financial year. Subsequently, as part of the exercise to revise the useful lives of its mobile network assets during the previous financial year, the Group has applied similar assumptions on the amortisation of telecommunication spectrum.

NOTES TO THE FINANCIAL STATEMENTS
for the Financial Year Ended 31 December 2022

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(d) Impairment of Property, Plant and Equipment, Right-of-use Assets, Intangible Assets (other than goodwill) and Investment in Subsidiaries

The Group and the Company assess impairment of the assets mentioned above whenever the events or changes in circumstances indicate that the carrying amount of an asset 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 fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flow derived from that asset discounted at an appropriate discount rate.

Projected future cash flows are based on the Group's and the Company's estimates calculated based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

The Group and the Company perform annual impairment review and no impairment was recognised in the current financial year ended arising from this review. During the previous financial year, the Group recognised total impairment losses on assets amounting to RM147.1 million, of which RM122.0 million was in relation to the Group's mobile network assets comprising property, plant and equipment (RM49.0 million), right-of-use assets (RM52.7 million) and intangible assets (RM20.3 million) respectively. The remaining RM25.1 million was in relation to the assets of wholly-owned subsidiaries.

Further detail on assumptions and estimates applied in arriving to the impairment losses recognised at the Group are disclosed in notes 23(b), 25(b) and 26(b) to the audited financial statements.

(e) Impairment of Goodwill

The Group tests goodwill for impairment annually in accordance with its accounting policy or whenever events or changes in circumstances indicate that this is necessary. The assumptions used, results and conclusion of the impairment assessment are stated in note 25(a) to the audited financial statements.

(f) Impairment of Receivables

The Group and the Company assess at each reporting date whether there is objective evidence that receivables have been impaired. Impairment loss is calculated periodically based on a review of the current status of existing receivables and historical collection trends to reflect the actual and anticipated experience.

The Group and the Company apply the Expected Credit Loss (ECL) impairment approach under the requirements of MFRS 9 "Financial Instruments". The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 4(a)(ii) to the audited financial statements.

(g) Accounting for Leases

Certain estimates were made in applying MFRS 16 for the Group and the Company. These estimates were made on incremental borrowing rate, extension and termination options took into consideration the circumstances and information that were available at the reporting date. Accordingly, the Group and the Company will continue to refine these estimates, where applicable.

	Areas of Estimates	Basis of Estimates
(i)	Measurement of lease liability using incremental borrowing rate	The incremental borrowing rate is determined based on interest rate for the list of AAA rated bonds issued in the current year and will be adjusted based on factors such as credit risk specific to the respective entities, country risk and collateralised elements that are applicable to each lease. The incremental borrowing rate is reviewed on a semi-annual basis.
(ii)	Determination of the extension and termination option	In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(h) Taxation

(i) Income Taxes

The Group is subject to income taxes 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 recognises liabilities for tax matters based on estimates of whether additional taxes will be due. If the final outcome of these tax matters result 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.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established, where appropriate on the basis of amounts expected to be paid to the tax authorities. Where relevant, this is measured using the single best estimate of the most likely outcome, considering strategic and commercial interest and substance of the circumstances surrounding such positions.

(ii) Deferred Tax Assets

Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which temporary differences or unutilised tax losses and tax credits (including investment allowances) can be utilised. This involves judgement regarding future taxable profits of a particular entity in which the deferred tax asset has been recognised.

Estimating the future taxable profits involved significant assumptions, especially in respect of demand on existing and new services, competition and regulatory changes that may impact the pricing of services. These assumptions were derived based on past performance, future prospect and adjusted for non-recurring circumstances.

(i) Fair Value of Derivatives and Other Financial Instruments

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. The Group exercises its judgement in selecting a variety of valuation methods and makes assumptions that are mainly based on market conditions existing at the end of each reporting period.

The fair value of derivatives is the present value of their future cash flows. The Group estimated the fair values at the reporting date, of certain equity investments at FVOCI and investments at FVOCI that are not traded in an active market by using the net tangible assets and the discounted cash flow methods respectively. In estimating the fair value of the redemption amount of put options and medium term notes subscription that are exchangeable with shares of a subsidiary, the Group has used valuation models in projecting expected share prices utilising comparable discount and growth rates reflective of market conditions specific to relevant industry existing at the end of the reporting period. Although the Group and the Company believe that estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value.

The summary of financial instruments by category is disclosed in note 47 to the audited financial statements. The valuation of such financial instruments is further discussed in note 48 to the audited financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the Financial Year Ended 31 December 2022

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Financial Risk Factors

The main risks arising from the Group's and the Company's financial assets and liabilities are market risk (comprises foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's and the Company's overall risk management seeks to minimise potential adverse effects of these risks on the financial performance of the Group and the Company.

The Group has established risk management policies, guidelines and procedures in order to manage its exposure to these financial risks. Hedging strategies are determined in light of commercial commitments to mitigate the relevant risks exposures. Derivative financial instruments are used to hedge the underlying commercial exposures and are not held for speculative purposes.

(i) Market Risk

- **Foreign Exchange Risk**

The Group's and the Company's foreign exchange risk refer to adverse exchange rate movements on foreign currency positions originating from trade receivables and payables, deposits and borrowings denominated in foreign currencies, and from retained profits in overseas subsidiaries, where the functional currencies are not in Ringgit Malaysia.

The Group's and the Company's objective is to mitigate foreign exchange exposure to an acceptable level against pre-determined limits and impact to the Income Statement. The Group and the Company monitor their foreign currency denominated assets and liabilities and uses various hedging instruments such as forward contracts, Cross Currency Interest Rate Swaps (CCIRS) contracts and option structures as well as maintaining funds in foreign currencies at appropriate levels to support operating cash flows requirement. The Group's and the Company's policy requires all transactions for hedging foreign currency exchange risk exposure be executed within the parameters approved by the Board of Directors.

The foreign exchange risk of the Group and the Company arises predominantly from borrowings denominated in foreign currencies, mainly the US Dollar. After hedging of the US Dollar borrowings, the foreign currency borrowings composition is decreased to 27.3% (2021: 27.4%) and 27.5% (2021: 27.8%) of the Group's and the Company's total borrowings as at 31 December 2022.

Based on the borrowings position as at 31 December 2022, if the Ringgit Malaysia had weakened/strengthened by 5.0% against the US Dollar with all other variables held constant, the post-tax profit and equity for the financial year for the Group and the Company would have been lower/higher by approximately RM94.2 million (2021: RM99.5 million) (before hedging) and RM72.1 million (2021: RM78.6 million) (after hedging) as a result of foreign exchange losses or gains on translation of US Dollar denominated borrowing.

- **Price Risk**

The Group and the Company are exposed to equity, fixed income unit trust funds and fixed income securities price risk arising from investments as reflected on the Statement of Financial Position, classified either as equity investments at fair value through profit or loss or fair value through OCI. The quoted equity securities portfolios of the Group and the Company were RM2.2 million as at 31 December 2022 (2021: RM2.2 million).

Based on the quoted equity securities portfolio as at 31 December 2022, if Bursa Malaysia equity index move by 5.0%, with all other variables remain constant, the Group's and the Company's post-tax profit for the financial year would have been impacted by approximately RM0.1 million (2021: approximately RM0.1 million).

For fixed income securities and fixed income unit trust funds, the Group and the Company invest in bonds/sukuk or funds of certain ratings. Rating downgrades would trigger disposals of the particular security at suitable prices and subject to prevailing market condition. As for fixed income unit trust funds, it is based on the fair value of each fund.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Financial Risk Factors (continued)

(i) Market Risk (continued)

- **Interest Rate Risk**

The Group and the Company have cash and short term deposits, fixed income securities and fixed income unit trust funds that are exposed to interest rate movement. The Group and the Company manage their interest rate risk on cash and short term deposits through allocation in suitable tenure. For fixed income securities, the Group and the Company apply suitable duration and basis point valuation analysis impact to manage its interest rate risk. As for fixed income unit trust funds, it applies the fund manager's duration structure management for the future interest rate trend.

The Group's investments in money market, fixed income securities and fixed income unit trust funds as at 31 December 2022 were RM1,768.0 million (2021: RM2,112.8 million), RM66.5 million (2021: RM82.3 million) and RM90.3 million (2021: RM243.2 million) respectively. Correspondingly, the Company's investments in money market, fixed income securities and fixed income unit trust funds as at 31 December 2022 were RM1,704.0 million (2021: RM2,045.4 million), RM66.5 million (2021: RM82.3 million) and RM90.3 million (2021: RM243.2 million) respectively. For an increase of 25 basis points in the Overnight Policy Rate (OPR) by Bank Negara Malaysia and assuming the overall yield curve also increases by the same percentage, the finance income from the money market portfolio of the Group and the Company would correspondingly move by approximately RM4.4 million (2021: RM5.2 million) and RM4.3 million (2021: RM5.1 million) respectively while the net asset value of the fixed income securities and fixed income unit trust fund of the Group and the Company would inversely move by approximately RM0.5 million (2021: RM0.9 million) and RM0.7 million (2021: RM2.1 million) respectively.

The Group's and the Company's debts include revolving credits, borrowings, bonds, notes and debentures. The Group's and the Company's objective is to manage the interest rate risk to an acceptable level of exposure on the finance cost. The Group and the Company review their composition of fixed and floating rate debt based on assessment of its existing exposure and desirable interest rate profile acceptable to the Group and the Company. Hedging instruments such as interest rate swaps are used to manage these risks.

The Group's and the Company's policy requires all transactions for hedging interest rate risk exposure be executed within the parameters approved by the Board of Directors.

The Group and the Company have entered into interest rate swap transactions with creditworthy financial institutions. Based on the hedging position as at 31 December 2022, the Group's and the Company's interest rate profiles after hedging, were both at 100% fixed interest rate (2021: 100% fixed interest rate). As such, the Group and the Company would not be affected by any hike in the OPR. This was also the position as at the end of the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS
for the Financial Year Ended 31 December 2022

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Financial Risk Factors (continued)

(ii) Credit Risk

Financial assets that are primarily exposed to credit risks are receivables, cash and bank balances, marketable securities and financial instruments used in hedging activities.

Due to the nature of the Group's and the Company's business, customers are mainly segregated according to business segments. The Group and the Company have no significant concentration of credit risk due to its diverse customer base. Credit risk is managed through the application of stringent credit control assessment and approval, credit limit and monitoring procedures. Where appropriate, the Group and the Company obtain deposits or bank guarantees from customers to be held as collaterals.

Expected Credit Loss (ECL)

The Group and the Company estimate and provide for ECL in relation to trade and other receivables.

(a) Measurement of ECL

(i) Trade Receivables and Contract Assets – Simplified approach

The expected loss rates recognised for Trade Receivables and Contract Assets are based on the payment profiles of sales over a period of 24 to 36 months before the 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 variables affecting the ability of the customers to settle the receivables. The Group and the Company have identified the following to be the most relevant factors applicable to each of the three main business clusters in the Group and the Company, and accordingly the correlation between historical loss rates against these macroeconomic variables are being applied as a basis in forecasting forward looking expected loss rate based on the expected changes in these factors.

Unifi	• Malaysian Consumer Price Index • Brent Crude Oil Price
TM One	• Real Gross Domestic Product • Brent Crude Oil Price
Global Business	• Malaysia Three Month Interbank Rate • World Commodity Price Index and Standard & Poor's 500 Index

No significant changes to estimation techniques or assumptions were made during the current financial year compared to those applied in the previous financial year.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Financial Risk Factors (continued)

(ii) Credit Risk (continued)

Expected Credit Loss (ECL) (continued)

(a) Measurement of ECL (continued)

(ii) Receivables other than trade and contract assets – General 3-stages approach

The Group and the Company use the 3-stages approach for the ECL on receivables other than trade and contract assets. The 3-stages approach reflects their receivables' 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 and Company's definition of category	Basis for recognising ECL
Performing	Debtors have a low risk of default and a strong capacity to meet contractual cash flows	12 month 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 30 days past due	Lifetime ECL
Non-performing	Debtors and repayments are more than 365 days past due	Lifetime ECL
Write-off	There is evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount	Asset is written off

Based on the above, loss allowance is measured on either 12 month ECL or lifetime ECL using a PD x LGD x EAD methodology where:

- PD ("probability of default") – the likelihood that the debtor would not be able to repay during the contractual period;
- LGD ("loss given default") – the percentage of contractual cash flows that will not be collected if default happens; and
- EAD ("exposure at default") – the outstanding amount that is exposed to default risk.

In deriving the PD and LGD, the Group and the Company consider historical data by each debtor by category and adjusts for forward looking macroeconomic data. The Group and the Company have identified the industry and geographical area which the debtor operates in, to be the most relevant factors, and accordingly adjust 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. No significant changes to estimation techniques or assumptions were made during the reporting period.

Through the current financial year and up to the date of the financial statements, the Group and the Company continued to closely monitor relevant indicators that may have been affected adversely by the Covid-19 pandemic which would influence the estimates used in arriving to the Group's and the Company's reported financial results. On a monthly basis, the same considerations were also factored into the assumptions and choice of the macroeconomic variables applied in arriving to the forward looking expected loss rates of the different business clusters, in respect of trade receivables and contract assets, as well as impact on expected cash flows attributable to the Group's and the Company's assets. This is to ensure adjusting events are reflected in estimates, where relevant.

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year Ended 31 December 2022

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Financial Risk Factors (continued)

(ii) Credit Risk (continued)

Expected Credit Loss (ECL) (continued)

(b) Reconciliation of loss allowance

(i) Trade receivables and contract assets – simplified approach

The loss allowance for trade receivables and contract assets as at 31 December 2022 and 31 December 2021 reconcile to the opening loss allowance for that provision as follows:

	The Group		The Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Opening loss allowance as at 1 January	**826.4**	898.4	**976.5**	975.6
Reclassification from/(to) other receivables	**-**	5.1	**-**	(0.4)
	826.4	903.5	**976.5**	975.2
Increase in loss allowance recognised in profit or loss during the year	**7.3**	35.6	**15.1**	28.3
Receivables written off	**(319.0)**	(102.5)	**(61.9)**	(39.6)
Netted off against unrecovered contract assets	**(2.7)**	(10.2)	**(9.0)**	(7.3)
Credit risk recovered from a subsidiary*	**-**	-	**3.4**	19.9
Reversal of loss allowance (note 53(b)(iv))	**-**	-	**(440.1)**	-
At 31 December	**512.0**	826.4	**484.0**	976.5

* The credit risk recovered from a subsidiary arising from the arrangement entered with a subsidiary when TM bills on behalf of the subsidiary.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Financial Risk Factors (continued)

(ii) Credit Risk (continued)

Expected Credit Loss (ECL) (continued)

(b) Reconciliation of loss allowance (continued)

(ii) Receivables other than trade and contract assets – General 3-stages approach

The loss allowance for receivables other than trade and contract assets as at 31 December 2022 and 31 December 2021 reconcile to the opening loss allowance as follows:

The Group	Performing RM	Under-performing RM	Non-performing RM	Total RM
At 1 January 2022	**26.8**	**19.7**	**109.3**	**155.8**
New/originating financial assets	**1.2**	**-**	**-**	**1.2**
(Reversal)/Additional impairment on existing financial assets	**-**	**(3.9)**	**10.5**	**6.6**
Write-off	**-**	**-**	**(11.9)**	**(11.9)**
Closing loss allowance as at 31 December 2022	**28.0**	**15.8**	**107.9**	**151.7**

The Group	Performing RM	Under-performing RM	Non-performing RM	Total RM
At 1 January 2021	20.5	10.9	114.1	145.5
Reclassification from trade receivables	-	-	(5.1)	(5.1)
Restated loss allowance as at 1 January 2021	20.5	10.9	109.0	140.4
New/originating financial assets	6.3	-	-	6.3
Additional impairment on existing financial assets	-	8.8	0.9	9.7
Write-off	-	-	(0.6)	(0.6)
Closing loss allowance as at 31 December 2021	26.8	19.7	109.3	155.8

NOTES TO THE FINANCIAL STATEMENTS
for the Financial Year Ended 31 December 2022

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Financial Risk Factors (continued)

(ii) Credit Risk (continued)

Expected Credit Loss (ECL) (continued)

(b) Reconciliation of loss allowance (continued)

(ii) Receivables other than trade and contract assets – General 3-stages approach (continued)

The loss allowance for receivables other than trade and contract assets as at 31 December 2022 and 31 December 2021 reconcile to the opening loss allowance as follows: (continued)

The Company	Performing RM	Under-performing RM	Non-performing RM	Total RM
At 1 January 2022	**26.8**	**386.0**	**2,909.6**	**3,322.4**
New/originating financial assets	**1.2**	**-**	**-**	**1.2**
(Reversal)/Additional impairment on existing financial assets	**-**	**(1.8)**	**24.5**	**22.7**
Reversal of impairment on existing financial assets (note 53(b)(iv))	**-**	**(350.0)**	**(666.5)**	**(1,016.5)**
Write-off*	**-**	**-**	**(2,093.4)**	**(2,093.4)**
Closing loss allowance as at 31 December 2022	**28.0**	**34.2**	**174.2**	**236.4**

* Receivables written off as part of the recapitalisation exercise as disclosed in note 53(b) to the audited financial statements.

The Company	Performing RM	Under-performing RM	Non-performing RM	Total RM
At 1 January 2021	20.5	27.7	2,834.5	2,882.7
Reclassification to trade receivables	-	-	0.4	0.4
Restated loss allowance as at 1 January 2021	20.5	27.7	2,834.9	2,883.1
New/originating financial assets	6.3	-	-	6.3
Additional impairment on existing financial assets*	-	358.3	74.9	433.2
Write-off	-	-	(0.2)	(0.2)
Closing loss allowance as at 31 December 2021	26.8	386.0	2,909.6	3,322.4

* Includes specific provision for impairment of loan to a subsidiary amounting to RM350.0 million as disclosed in note 44(c) to the audited financial statements.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Financial Risk Factors (continued)

(ii) Credit Risk (continued)

Expected Credit Loss (ECL) (continued)

(c) Maximum exposure to credit risk

(i) Trade receivables and contract assets – simplified approach

The following table contains an analysis of the credit risk exposure of financial instruments for which ECL allowances are recognised. The gross carrying amount of financial assets below also represent the Group's and the Company's maximum exposure to credit risk on these assets:

The Group 31 December 2022	Current RM	1 - 90 days past due RM	91 - 180 days past due RM	More than 181 days past due RM	Total RM
Expected loss rate	**4.62%**	**19.79%**	**25.65%**	**96.30%**	**23.10%**
Gross carrying amount – trade receivables, accrued earnings & contract assets (excluding grant receivables)	**1,309.5**	**337.5**	**231.6**	**337.8**	**2,216.4**
Loss allowance	**(60.5)**	**(66.8)**	**(59.4)**	**(325.3)**	**(512.0)**
Carrying amount (net of loss allowance)	**1,249.0**	**270.7**	**172.2**	**12.5**	**1,704.4**
Grant receivables*	**499.4**	**118.7**	**-**	**-**	**618.1**
Net trade receivables, accrued earnings & contract assets	**1,748.4**	**389.4**	**172.2**	**12.5**	**2,322.5**

* Included in grant receivables are low credit risk sovereign debts due from government for projects such as HSBB and others.

The Group 31 December 2021	Current RM	1 - 90 days past due RM	91 - 180 days past due RM	More than 181 days past due RM	Total RM
Expected loss rate	4.85%	18.64%	20.63%	96.47%	34.34%
Gross carrying amount – trade receivables, accrued earnings & contract assets (excluding grant receivables)	1,235.6	271.5	200.2	699.3	2,406.6
Loss allowance	(59.9)	(50.6)	(41.3)	(674.6)	(826.4)
Carrying amount (net of loss allowance)	1,175.7	220.9	158.9	24.7	1,580.2
Grant receivables*	429.4	-	-	200.0	629.4
Net trade receivables, accrued earnings & contract assets	1,605.1	220.9	158.9	224.7	2,209.6

* Included in grant receivables are low credit risk sovereign debts due from government for projects such as HSBB and others.

NOTES TO THE FINANCIAL STATEMENTS
for the Financial Year Ended 31 December 2022

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Financial Risk Factors (continued)

(ii) Credit Risk (continued)

Expected Credit Loss (ECL) (continued)

(c) Maximum exposure to credit risk (continued)

(i) Trade receivables and contract assets – simplified approach (continued)

The following table contains an analysis of the credit risk exposure of financial instruments for which ECL allowances are recognised. The gross carrying amount of financial assets below also represent the Group's and the Company's maximum exposure to credit risk on these assets: (continued)

The Company 31 December 2022	Current RM	1 - 90 days past due RM	91 - 180 days past due RM	More than 181 days past due RM	Total RM
Expected loss rate	**6.52%**	**22.47%**	**25.40%**	**91.39%**	**25.30%**
Gross carrying amount – trade receivables, accrued earnings & contract assets (excluding grant receivables)	**1,073.8**	**286.1**	**235.8**	**317.1**	**1,912.8**
Loss allowance	**(70.0)**	**(64.3)**	**(59.9)**	**(289.8)**	**(484.0)**
Carrying amount (net of loss allowance)	**1,003.8**	**221.8**	**175.9**	**27.3**	**1,428.8**
Grant receivables*	**499.4**	**118.7**	**-**	**-**	**618.1**
Net trade receivables, accrued earnings & contract assets	**1,503.2**	**340.5**	**175.9**	**27.3**	**2,046.9**

* Included in grant receivables are low credit risk sovereign debts due from government for projects such as HSBB and others.

The Company 31 December 2021	Current RM	1 - 90 days past due RM	91 - 180 days past due RM	More than 181 days past due RM	Total RM
Expected loss rate	6.15%	18.11%	19.85%	94.92%	42.07%
Gross carrying amount – trade receivables, accrued earnings & contract assets (excluding grant receivables)	992.4	257.8	196.5	874.2	2,320.9
Loss allowance	(61.0)	(46.7)	(39.0)	(829.8)	(976.5)
Carrying amount (net of loss allowance)	931.4	211.1	157.5	44.4	1,344.4
Grant receivables*	429.4	-	-	200.0	629.4
Net trade receivables, accrued earnings & contract assets	1,360.8	211.1	157.5	244.4	1,973.8

* Included in grant receivables are low credit risk sovereign debts due from government for projects such as HSBB and others.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Financial Risk Factors (continued)

(ii) Credit Risk (continued)

Expected Credit Loss (ECL) (continued)

(c) Maximum exposure to credit risk (continued)

(ii) Receivables other than trade and contract assets – General 3-stages approach

The following table contains an analysis of the credit risk exposure of receivables other than trade and contract assets for which an ECL allowance is recognised. The gross carrying amount of receivables other than trade and contract assets disclosed below also represent the maximum exposure to credit risk on these assets:

As at 31 December 2022

The Group Internal credit rating	Expected credit loss rate	Basis for recognition of expected credit loss provision	Estimated gross carrying amount at default RM	Loss allowance RM	Carrying amount (net of impairment provision) RM
Performing	**3.22%**	**12 month ECL**	**870.9**	**(28.0)**	**842.9**
Underperforming	**40.20%**	**Lifetime ECL**	**39.3**	**(15.8)**	**23.5**
Not-performing	**97.38%**	**Lifetime ECL**	**110.8**	**(107.9)**	**2.9**
Total			**1,021.0**	**(151.7)**	**869.3**

As at 31 December 2021

The Group Internal credit rating	Expected credit loss rate	Basis for recognition of expected credit loss provision	Estimated gross carrying amount at default RM	Loss allowance RM	Carrying amount (net of impairment provision) RM
Performing	2.82%	12 month ECL	948.9	(26.8)	922.1
Underperforming	43.01%	Lifetime ECL	45.8	(19.7)	26.1
Not-performing	92.86%	Lifetime ECL	117.7	(109.3)	8.4
Total			1,112.4	(155.8)	956.6

NOTES TO THE FINANCIAL STATEMENTS
for the Financial Year Ended 31 December 2022

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Financial Risk Factors (continued)

(ii) Credit Risk (continued)

Expected Credit Loss (ECL) (continued)

(c) Maximum exposure to credit risk (continued)

(ii) Receivables other than trade and contract assets – General 3-stages approach (continued)

The following table contains an analysis of the credit risk exposure of receivables other than trade and contract assets for which an ECL allowance is recognised. The gross carrying amount of receivables other than trade and contract assets disclosed below also represent the maximum exposure to credit risk on these assets: (continued)

As at 31 December 2022

The Company Internal credit rating	Expected credit loss rate	Basis for recognition of expected credit loss provision	Estimated gross carrying amount at default RM	Loss allowance RM	Carrying amount (net of impairment provision) RM
Performing	**3.36%**	**12 month ECL**	**833.4**	**(28.0)**	**805.4**
Underperforming	**43.96%**	**Lifetime ECL**	**77.8**	**(34.2)**	**43.6**
Not-performing	**79.22%**	**Lifetime ECL**	**219.9**	**(174.2)**	**45.7**
Total			**1,131.1**	**(236.4)**	**894.7**

As at 31 December 2021

The Company Internal credit rating	Expected credit loss rate	Basis for recognition of expected credit loss provision	Estimated gross carrying amount at default RM	Loss allowance RM	Carrying amount (net of impairment provision) RM
Performing	2.81%	12 month ECL	953.6	(26.8)	926.8
Underperforming	49.41%	Lifetime ECL	781.2	(386.0)	395.2
Not-performing	98.68%	Lifetime ECL	2,948.6	(2,909.6)	39.0
Total			4,683.4	(3,322.4)	1,361.0

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Financial Risk Factors (continued)

(ii) Credit Risk (continued)

The Group and the Company place their cash and cash equivalents with various creditworthy financial institutions. The Group's policy limits the concentration of credit exposure to any single financial institution based on its net tangible asset position and/or credit rating, which is subject to annual review.

The Group and the Company have appointed several fixed income, commercial papers and fixed income unit trust funds managers to manage their investment portfolios. In managing the portfolios' credit risk, the investment parameter was established to restrict all fund managers to only invest in securities that carry at least A3/P1/MARC1 credit ratings or equivalent. This is in accordance with the Group's Treasury Investment Policies and Guidelines. In the current financial year, the Group's and the Company's investment portfolios were predominantly securities carrying AAA/AA credit ratings or above, as shown in note 30(b) and note 30(c) to the audited financial statements.

All hedging instruments are executed with creditworthy financial institutions with a view to limiting 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 does not expect any counterparties to fail to meet their obligations.

In complying with the risk management policies, all counterparties are required to maintain certain credit rating as defined by the international and local rating agencies.

(iii) Liquidity Risk

Group Treasury maintains cash and cash equivalents at a level that is deemed appropriate by the management to finance the Group's operations. It also actively monitors and controls liquidity risk exposures and funding needs across legal entities within the Group, business lines and currencies, taking into account legal, regulatory and operational limitations via a centralised Treasury operation.

Due to the dynamic nature of the underlying business, the Group and the Company also aim at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available.

Cash flow forecasts are performed in the operating entities of the Group on a rolling basis and are aggregated by Group Treasury to ensure sufficient cash is available to meet operational needs while maintaining adequate headroom on its undrawn committed credit facilities at all times. As at 31 December 2022, the Group and the Company held deposits with financial institutions of RM1,533.7 million (2021: RM1,932.2 million) and RM1,470.8 million (2021: RM1,865.5 million) respectively and cash and bank balances of RM811.4 million (2021: RM621.0 million) and RM422.7 million (2021: RM252.0 million) respectively that are expected to be readily available to meet any payment obligation when it falls due.

Refinancing risk is managed by limiting the amount of borrowings that mature within any specific period and by having appropriate strategies in place to manage refinancing needs as they arise. On 28 September 2018, the Group received approval from the Securities Commission Malaysia for the establishment of an Islamic Commercial Papers (ICP) programme and Islamic Medium Term Notes (IMTN) programme with a total combined limit of up to RM4.0 billion in nominal value, which have respective tenures of 7 and 30 years from the date of first issue. In an Extraordinary General Meeting held on 1 March 2021 between holders of the IMTN, the Company obtained the required approval to redeem in full the outstanding IMTN under the RM2.0 billion ICP and IMTN programme ("the Programme") that was established on 5 April 2011. Subsequent to the approval, the Company paid in full the cash consideration relating to the early redemption on 16 March 2021 and the Programme was then cancelled accordingly. The Group and the Company have sufficient internally generated funds and funds from financing facilities available (with remaining combined limit of up to RM5.7 billion nominal value) to meet capital expenditure, business operating requirements as well as obligations as and when they fall due, in the next 12 months. The analysis of the maturity profile of the Group's and the Company's financial liabilities are shown in note 49 to the audited financial statements.

There has been no significant change in the Group's and the Company's financial risk management objectives and policies as well as their financial risk exposure in the current financial year as compared to the preceding financial year.

NOTES TO THE FINANCIAL STATEMENTS
for the Financial Year Ended 31 December 2022

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Capital Risk Management

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide long term return to shareholders and benefits for other stakeholders. The Group's and the Company's capital management framework comprises of a dividend policy and strives to maintain an optimal capital structure that will improve its capital efficiency.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends to be paid to the shareholders or may return capital to shareholders vis-à-vis its debt-to-equity ratio (gearing level). In 2014, the Group introduced a Dividend Reinvestment Scheme (DRS) whereby its shareholders have the option to either receive cash dividends or reinvest the dividends in new ordinary shares of the Company. Depending on the level of subscription of DRS, the Group would be able to enlarge its share capital base as well as strengthen its capital position through the DRS whenever applicable.

The gearing ratios as at 31 December were as follows:

	The Group		The Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Borrowings (RM million) (note 17)	**5,269.3**	5,720.0	**5,224.7***	5,650.6*
Lease Liabilities (RM million) (note 19)	**1,774.5**	1,883.7	**729.3**	708.7
Total Debt (RM million)	**7,043.8**	7,603.7	**5,954.0**	6,359.3
Total Shareholders' Equity (RM million)	**7,936.5**	7,502.5	**7,105.9**	6,529.3
Debt-to-equity Ratio	**0.9**	1.0	**0.8**	1.0

* Includes Payable to a subsidiary (note 18) for the Company.

The Group also monitors its gearing level in comparison to its peers within the industry while maintaining the desired level of credit rating. During 2022, the Group's credit rating remained unchanged at AAA by RAM, A- by S&P and A3 by Moody's.

The Group has complied with all imposed debt covenants.

5. OPERATING REVENUE

(a) Disaggregation of the Group's and the Company's revenue

(i) Revenue accounted for under MFRS 15 and others, classified by nature of service provided

	The Group		The Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Revenue accounted for under MFRS 15				
Internet and multimedia services	**4,366.9**	4,036.1	**3,982.4**	3,602.1
Data services	**3,130.8**	2,819.6	**2,628.2**	2,364.9
Voice services	**2,391.4**	2,372.2	**2,386.1**	2,374.1
Other telecommunications related services	**1,262.7**	1,324.8	**958.4**	963.5
Non-telecommunications related services	**211.7**	171.9	**-**	-
	11,363.5	10,724.6	**9,955.1**	9,304.6
Others				
Data services	**252.3**	335.3	**172.6**	289.0
Other telecommunications related services	**502.3**	469.1	**488.8**	454.7
	754.6	804.4	**661.4**	743.7
TOTAL OPERATING REVENUE	**12,118.1**	11,529.0	**10,616.5**	10,048.3

Other than the revenue accounted for under MFRS 15, the Group and the Company have leasing revenue under Data services accounted for under MFRS 16 "Leases" as well as grant revenue under Other telecommunications related services that are accounted for in accordance with MFRS 120 "Accounting for Government Grants and Disclosure of Government Grants."

5. OPERATING REVENUE (CONTINUED)

(a) Disaggregation of the Group's and the Company's revenue (continued)

(ii) Revenue accounted for under MFRS 15, by timing of revenue recognition

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
- At a point in time	**224.7**	185.2	**92.0**	209.3
- Over time	**11,138.8**	10,539.4	**9,863.1**	9,095.3
TOTAL OPERATING REVENUE	**11,363.5**	10,724.6	**9,955.1**	9,304.6

(b) Contract assets

The following table summarises significant changes in contract assets:

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Contract assets as at 1 January	**719.6**	618.9	**524.9**	315.5
Impairment reclassification from trade/other receivables	**0.5**	-	**-**	-
	720.1	618.9	**524.9**	315.5
- Revenue recognised for services yet to be invoiced	**497.0**	845.9	**398.3**	665.7
- Amount subsequently invoiced (transferred to trade receivables)	**(512.1)**	(737.9)	**(334.4)**	(449.0)
- Impairment recognised for contract assets	**(2.6)**	(7.3)	**(9.0)**	(7.3)
Contract assets as at 31 December	**702.4**	719.6	**579.8**	524.9

Provision for impairment of contract assets

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
At 1 January	**5.4**	8.3	**5.5**	5.5
Impairment reclassification from trade/other receivables	**0.5**	-	**-**	-
	5.9	8.3	**5.5**	5.5
- Impairment recognised for contract assets	**2.6**	7.3	**9.0**	7.3
- Netted off against unrecovered contract assets	**(2.7)**	(10.2)	**(9.0)**	(7.3)
At 31 December (note 4(a))	**5.8**	5.4	**5.5**	5.5

(c) Contract liabilities

The following table summarises significant changes in contract liabilities:

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Contract liabilities as at 1 January	**857.4**	987.4	**909.6**	1,028.2
- Amount billed in advance for services yet to be delivered	**8,360.3**	7,682.7	**8,291.9**	6,829.5
- Revenue realised from receipts in advance of supply goods or services	**(8,378.7)**	(7,812.7)	**(8,344.0)**	(6,948.1)
Contract liabilities as at 31 December	**839.0**	857.4	**857.5**	909.6

During the financial year, RM489.8 million (2021: RM529.4 million) and RM542.0 million (2021: RM570.6 million) out of contract liabilities balance of RM857.4 million as at 1 January 2022 (1 January 2021: RM987.4 million) and RM909.6 million (1 January 2021: RM1,028.2 million) has been recognised as revenue at Group and Company respectively.

NOTES TO THE FINANCIAL STATEMENTS
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5. OPERATING REVENUE (CONTINUED)

(d) Unsatisfied Performance Obligations

The following table summarises contract price allocated to unsatisfied performance obligations resulting from contracts with customers:

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
- Voice, data and Internet and multimedia contracts with remaining contract period	**8,314.7**	8,090.9	**8,314.7**	8,090.9
- Customer projects and others with service to be delivered	**3,840.3**	2,593.0	**1,803.1**	853.9
TOTAL UNSATISFIED PERFORMANCE OBLIGATIONS	**12,155.0**	10,683.9	**10,117.8**	8,944.8

These are expected to be fulfilled or delivered to customers over the next 1 to 36 months.

(e) Assets recognised from costs incurred to obtain and fulfil a contract

In addition to the contract balances disclosed above, the Group and the Company have also recognised assets in relation to costs incurred to obtain and fulfil customer contract. This is presented within contract cost assets in the Statement of Financial Position. These are mostly commissions paid to agents in the course of securing a new customer contract, where the amount paid can be directly attributed to the new contract.

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Asset recognised from costs incurred to obtain and fulfil a contract at 1 January	**379.2**	285.6	**355.4**	221.9
- Addition from customer contracts with service yet to be delivered as performance obligations are not yet satisfied	**435.5**	504.6	**402.5**	504.9
- Less: Amortisation	**(394.0)**	(411.0)	**(382.7)**	(371.4)
Asset recognised from costs incurred to obtain and fulfil a contract at 31 December	**420.7**	379.2	**375.2**	355.4

6(a). DEPRECIATION, IMPAIRMENT AND AMORTISATION

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Depreciation of property, plant and equipment (PPE) (note 23)	**2,336.2**	2,026.8	**2,147.6**	1,765.3
Depreciation of right-of-use assets (note 26)	**355.5**	335.5	**209.4**	189.0
Depreciation of investment property (note 24)	**-**	-	**2.0**	2.0
(Reversal)/Impairment of PPE (note 23 and 23(b))	**(14.6)**	74.1	**(8.9)**	-
(Reversal)/Impairment of right-of-use assets (note 26)	**(0.5)**	52.7	**-**	-
Write-off/Retirement of PPE (note 23)	**15.7**	14.2	**12.4**	8.9
Write-off/Retirement of intangible assets (note 25)	**10.9**	-	**10.8**	-
Amortisation of intangible assets (note 25)	**159.7**	111.1	**88.4**	65.5
Impairment of intangible assets (note 25)	**-**	20.3	**-**	-
TOTAL DEPRECIATION, IMPAIRMENT AND AMORTISATION	**2,862.9**	2,634.7	**2,461.7**	2,030.7

6(b). OTHER OPERATING COSTS

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Domestic, international outpayment and commission	**1,909.3**	1,953.1	**2,194.9**	2,242.9
Leased lines	**80.7**	69.7	**-**	-
Maintenance	**512.6**	542.4	**526.2**	538.2
Materials/customer equipment and installation	**671.2**	625.8	**398.3**	319.1
Rental - Others	**46.3**	54.3	**56.8**	49.8
Rental - leases of low value assets (note 26(a))	**2.4**	5.8	**2.7**	8.8
Rental - short term leases (note 26(a))	**38.7**	38.8	**23.2**	20.1
Staff costs	**2,671.7**	2,663.8	**2,079.1**	2,074.5
Staff costs capitalised into PPE	**(122.0)**	(86.3)	**(122.0)**	(86.3)
Universal Service Provision contribution	**314.0**	282.8	**286.2**	263.0
Utilities	**327.9**	289.8	**244.1**	219.4
Others	**848.3**	861.1	**940.1**	990.5
TOTAL OTHER OPERATING COSTS	**7,301.1**	7,301.1	**6,629.6**	6,640.0
Staff costs include:				
- salaries, allowances, overtime and bonus	**1,852.0**	1,861.4	**1,393.6**	1,412.8
- contribution to Employees Provident Fund (EPF)	**303.5**	309.3	**234.3**	240.6
- termination benefit	**137.6**	150.8	**125.3**	127.9
- other staff benefits	**219.2**	294.7	**177.0**	241.6
- Long Term Incentive Plan				
- equity-settled	**31.5**	39.4	**26.2**	31.4
- cash-settled	**1.2**	4.2	**0.6**	3.5
- remuneration of Executive Directors of the Company				
- salaries, allowances and bonus	**3.1**	2.4	**3.1**	2.4
- contribution to EPF	**0.6**	0.4	**0.6**	0.4
- remuneration of Non-Executive Directors of the Company				
- fees	**3.4**	3.4	**2.6**	2.8
- allowances	**1.1**	1.2	**1.1**	1.2
Others include:				
- group auditors' remuneration				
- statutory audit fees				
- Ernst & Young PLT	**2.5**	2.5	**1.4**	1.4
- member firms of Ernst & Young PLT	**0.3**	0.3	**-**	-
- audit related fees	**0.4**	0.4	**0.4**	0.4
- tax and other non-audit fees	**0.7**	0.3	**0.7**	0.1

Estimated money value of benefits-in-kind of Directors amounted to RM1.1 million (2021: RM0.9 million) for the Group and the Company.

In ensuring independence of the external auditors, the Board Audit Committee has policies governing the engagement of the external auditors for non-audit services and the related approval process that has to be adhered before any such non-audit services commence. Non-audit services can be offered by the external auditors if there are efficiencies and value-added benefits to the Group and the Company.

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7. OTHER OPERATING INCOME (net)

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Dividend income from subsidiaries	**-**	-	**41.0**	84.3
Dividend income from equity securities – unquoted	**3.4**	12.9	**3.4**	12.9
Gain on disposal of a subsidiary	**8.8**	-	**0.6**	-
Income from sales of scraps	**66.4**	60.0	**65.5**	59.8
Income from subsidiaries - interest	**-**	-	**74.9**	61.9
- others	**-**	-	**0.2**	0.2
Insurance claims	**0.3**	6.6	**0.2**	6.3
Loss on disposal of staff loans (note 32(i)(a))	**(3.4)**	-	**(3.4)**	-
Profit on disposal of PPE	**7.6**	4.0	**10.3**	3.4
Penalty on breach of contract	**4.4**	2.0	**4.3**	1.9
Rental income from land and buildings	**25.2**	26.4	**87.8**	91.2
Rental income from vehicles	**-**	-	**0.3**	0.4
Income from training and related activities	**2.2**	2.3	**2.2**	3.2
Others	**27.7**	43.4	**48.8**	45.2
TOTAL OTHER OPERATING INCOME (net)	**142.6**	157.6	**336.1**	370.7

8. OTHER (LOSSES)/GAINS (net)

	The Group and the Company	
	2022 RM	2021 RM
Fair value movement of financial assets at fair value through profit or loss		
- equity securities quoted on the Bursa Malaysia Securities Berhad	**-**	0.7
- investment in technology investment fund	**(6.1)**	(9.2)
- investment in fixed income unit trust fund	**(2.3)**	(8.3)
Investments at fair value through other comprehensive income		
- reclassification from fair value reserves	**(0.2)**	1.1
TOTAL OTHER (LOSSES)/GAINS (net)	**(8.6)**	(15.7)

9. NET FINANCE COST

The Group	2022 Conventional Foreign RM	2022 Conventional Domestic RM	2022 Islamic Principles RM	2022 Total RM	2021 Conventional Foreign RM	2021 Conventional Domestic RM	2021 Islamic Principles RM	2021 Total RM
Finance income from								
- short term bank deposits	**11.7**	**4.9**	**25.4**	**42.0**	2.0	6.4	33.8	42.2
- other deposits	**-**	**7.9**	**1.3**	**9.2**	-	7.0	1.3	8.3
- staff loans	**-**	**-**	**21.4**	**21.4**	-	-	22.6	22.6
- unwinding of discount on lease receivables	**-**	**2.2**	**-**	**2.2**	-	2.5	-	2.5
TOTAL FINANCE INCOME	**11.7**	**15.0**	**48.1**	**74.8**	2.0	15.9	57.7	75.6
Finance cost on								
- borrowings from financial institutions and debentures	**(84.7)**	**(0.7)**	**(1.8)**	**(87.2)**	(83.0)	(1.9)	(0.3)	(85.2)
- Islamic Medium Term Notes	**-**	**-**	**(182.0)**	**(182.0)**	-	-	(270.5)	(270.5)
- unwinding of discount on other borrowings and payables (note 17(c))	**-**	**(3.3)**	**-**	**(3.3)**	-	(5.7)	-	(5.7)
- interest and finance charges paid/ payable for lease liabilities (note 26(a))	**-**	**(108.6)**	**-**	**(108.6)**	-	(117.4)	-	(117.4)
- amortisation of interest subsidy on staff loan	**-**	**-**	**(7.2)**	**(7.2)**	-	-	(8.0)	(8.0)
Borrowing costs capitalised	**-**	**-**	**1.2**	**1.2**	-	-	0.5	0.5
TOTAL FINANCE COST	**(84.7)**	**(112.6)**	**(189.8)**	**(387.1)**	(83.0)	(125.0)	(278.3)	(486.3)
Foreign exchange revaluation on borrowings								
- loss	**(117.8)**	**-**	**-**	**(117.8)**	(62.4)	-	-	(62.4)
- reclassification of foreign exchange gain from other comprehensive income	**23.8**	**-**	**-**	**23.8**	13.5	-	-	13.5
TOTAL FOREIGN EXCHANGE LOSS ON BORROWINGS	**(94.0)**	**-**	**-**	**(94.0)**	(48.9)	-	-	(48.9)
NET FINANCE COST	**(167.0)**	**(97.6)**	**(141.7)**	**(406.3)**	(129.9)	(109.1)	(220.6)	(459.6)

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for the Financial Year Ended 31 December 2022

9. NET FINANCE COST (CONTINUED)

The Company	2022				2021			
	Conventional		Islamic		Conventional		Islamic	
	Foreign RM	Domestic RM	Principles RM	Total RM	Foreign RM	Domestic RM	Principles RM	Total RM
Finance income from								
- short term bank deposits	**11.7**	**4.7**	**23.3**	**39.7**	2.0	8.8	33.0	43.8
- other deposits	**-**	**7.9**	**1.3**	**9.2**	-	7.0	1.2	8.2
- staff loans	**-**	**-**	**21.4**	**21.4**	-	-	22.6	22.6
TOTAL FINANCE INCOME	**11.7**	**12.6**	**46.0**	**70.3**	2.0	15.8	56.8	74.6
Finance cost on								
- borrowings from financial institutions and debentures	**(84.7)**	**-**	**-**	**(84.7)**	(83.0)	-	-	(83.0)
- Islamic Medium Term Notes	**-**	**-**	**(182.0)**	**(182.0)**	-	-	(270.5)	(270.5)
- unwinding of discount on other borrowings and payables (note 17(c))	**-**	**(3.3)**	**-**	**(3.3)**	-	(5.7)	-	(5.7)
- interest and finance charges paid/ payable for lease liabilities (note 26(a))	**-**	**(48.4)**	**-**	**(48.4)**	-	(50.7)	-	(50.7)
- Inter-Company Fund Optimisation (note 44(a)(iv) and (b))	**-**	**(19.1)**	**(0.4)**	**(19.5)**	-	(11.3)	(0.5)	(11.8)
- amortisation of interest subsidy on staff loan	**-**	**-**	**(7.2)**	**(7.2)**	-	-	(8.0)	(8.0)
Borrowing costs capitalised	**-**	**-**	**1.2**	**1.2**	-	-	0.5	0.5
TOTAL FINANCE COST	**(84.7)**	**(70.8)**	**(188.4)**	**(343.9)**	(83.0)	(67.7)	(278.5)	(429.2)
Foreign exchange revaluation on borrowings								
- loss	**(117.6)**	**-**	**-**	**(117.6)**	(62.4)	-	-	(62.4)
- reclassification of foreign exchange gain from other comprehensive income	**23.8**	**-**	**-**	**23.8**	13.5	-	-	13.5
TOTAL FOREIGN EXCHANGE LOSS ON BORROWINGS	**(93.8)**	**-**	**-**	**(93.8)**	(48.9)	-	-	(48.9)
NET FINANCE COST	**(166.8)**	**(58.2)**	**(142.4)**	**(367.4)**	(129.9)	(51.9)	(221.7)	(403.5)

10. TAX AND ZAKAT

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
The tax charge for the Group and the Company comprise:				
Malaysia				
Income Tax				
Current year	**574.2**	301.4	**511.7**	248.5
Prior year	**21.7**	13.0	**22.2**	10.6
Deferred Tax (net)	**(73.6)**	29.6	**(51.0)**	44.1
	522.3	344.0	**482.9**	303.2
Overseas				
Income Tax				
Current year	**11.0**	15.1	**-**	-
Prior year	**1.3**	2.6	**-**	-
Deferred Tax (net)	**(1.3)**	0.1	**-**	-
	11.0	17.8	**-**	-
TOTAL TAX	**533.3**	361.8	**482.9**	303.2
Zakat	**9.0**	7.1	**4.4**	5.2
TAX AND ZAKAT	**542.3**	368.9	**487.3**	308.4
Current tax				
Current year	**585.2**	316.5	**511.7**	248.5
Under accrual in prior years (net)	**23.0**	15.6	**22.2**	10.6
Deferred tax				
Origination and reversal of temporary differences	**(74.9)**	29.7	**(51.0)**	44.1
	533.3	361.8	**482.9**	303.2

The relationship between tax and profit before tax and zakat can be explained by the numerical reconciliation between tax expense and the product of accounting profit multiplied by the Malaysian tax rate as follows:

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit Before Tax and Zakat	**1,686.5**	1,246.8	**1,446.9**	867.6
Tax calculated at the applicable Malaysian tax rate of 24%	**404.8**	299.2	**347.3**	208.2
Tax effects of:				
- share of results of associate	**(1.9)**	(3.5)	**-**	-
- expenses not deductible for taxation purposes	**46.0**	55.9	**102.2**	181.3
- income not subject to taxation	**(80.5)**	(64.9)	**(101.2)**	(98.3)
- expenses allowed for double deduction	**(16.6)**	(15.4)	**(16.6)**	(15.4)
- change in tax rate*	**129.0**	16.8	**129.0**	16.8
- temporary difference for which no deferred tax is recognised	**7.8**	50.7	**-**	-
- current year tax losses not recognised	**21.7**	7.4	**-**	-
- under accrual of income tax (net)	**23.0**	15.6	**22.2**	10.6
TOTAL TAX	**533.3**	361.8	**482.9**	303.2

* 33% Prosperity Tax (Cukai Makmur) rate on chargeable income exceeding RM100.0 million applicable only for Year of Assessment 2022 for the Company.

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for the Financial Year Ended 31 December 2022

11. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share of the Group was calculated by dividing the net profit attributable to equity holders by the weighted average number of issued and paid-up ordinary shares of the Company in issue during the financial year.

	The Group	
	2022	**2021**
Profit attributable to equity holders of the Company (RM million)	**1,143.3**	895.2
Weighted average number of ordinary shares (million)	**3,785.9**	3,773.7
Basic earnings per share (sen) attributable to equity holders of the Company	**30.2**	23.7

(b) Diluted earnings per share

Diluted earnings per share for the current financial year was calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of issued and paid-up ordinary shares adjusted for conversion of all dilutive potential ordinary shares granted to employees under a Long Term Incentive Plan (LTIP) (note 14 to the audited financial statements) that is an employee share scheme which will vest subject to certain performance conditions being met.

	The Group	
	2022	**2021**
Profit attributable to equity holders of the Company (RM million)	**1,143.3**	895.2
Weighted average number of ordinary shares (million)	**3,785.9**	3,773.7
Adjustment for dilutive effect of LTIP (million)	**25.4**	34.4
Weighted average number of ordinary shares (million)	**3,811.3**	3,808.1
Diluted earnings per share (sen) attributable to equity holders of the Company	**30.0**	23.5

12. DIVIDENDS IN RESPECT OF ORDINARY SHARES

Dividends approved and paid in respect of ordinary shares:

	2022		2021	
The Company	Dividend per share Sen	Amount of single-tier dividend RM	Dividend per share Sen	Amount of single-tier dividend RM
Final Interim dividend paid in respect of the financial year ended 31 December 2020	**-**	**-**	7.5	283.0
Interim dividend paid in respect of the financial year ended 31 December 2021	**-**	**-**	7.0	264.2
Final Interim dividend paid in respect of the financial year ended 31 December 2021	**6.0**	**226.4**	-	-
Interim dividend paid in respect of the financial year ended 31 December 2022	**9.0**	**340.9**	-	-
DIVIDENDS RECOGNISED AS DISTRIBUTION TO ORDINARY EQUITY HOLDERS OF THE COMPANY	**15.0**	**567.3**	14.5	547.2

The Board of Directors has declared final interim single-tier cash dividend of 7.5 sen per share for the financial year ended 31 December 2022 (2021: final interim single-tier cash dividend of 6.0 sen per share) on 28 February 2023. The dividend will be paid on 31 March 2023 to shareholders whose names appear in the Register of Members and Record of Depositors on 16 March 2023.

The Board of Directors declared an interim single-tier cash dividend of 9.0 sen per share for the financial year ended 31 December 2022 (2021: an interim single-tier cash dividend of 7.0 sen per share) on 24 August 2022. The dividend was paid on 21 October 2022 to shareholders whose names appear in the Register of Members and Record of Depositors. The board of Directors had also determined that the Dividend Reinvestment Scheme (DRS) as explained in note 13(b) to the audited financial statements was made applicable to the interim dividend.

13. SHARE CAPITAL

The Company	2022 Number of shares	2022 RM	2021 Number of shares	2021 RM
Issued and fully paid:				
Ordinary shares				
At 1 January	**3,773.7**	**3,729.0**	3,773.6	3,728.6
Issuance of shares under Dividend Reinvestment Scheme (sub-note (b))	**33.3**	**180.4**	-	-
Issuance of Long Term Incentive Plan shares (sub-note (c))	**14.0**	**77.1**	0.1	0.4
At 31 December – ordinary shares with no par value	**3,821.0**	**3,986.5**	3,773.7	3,729.0
Special Share (sub-note (a))				
At 1 January and 31 December	**#**	**#**	#	#
TOTAL ISSUED AND FULLY PAID-UP SHARE CAPITAL	**3,821.0**	**3,986.5**	3,773.7	3,729.0

Amount less than RM0.1 million

(a) Special Rights Redeemable Preference Share (Special Share)

The Special Share is held by the Special Shareholder, Minister of Finance, a body corporate established under the Minister of Finance (Incorporation) Act 1957 (MOF Inc). MOF Inc's holding would enable the Government through the Minister of Finance to ensure that certain major decisions affecting the operations of the Company are consistent with the Government's policy. The Special Shareholder, which may only be the Government or any representative or person acting on its behalf, is entitled to receive notice of meetings but does not carry any right to vote at such meetings of the Company. However, the Special Shareholder is entitled to attend and speak at such meetings.

Certain matters, in particular, the alteration of the Articles of Association of the Company relating to the rights of the Special Shareholder, the dissolution of the Company, any substantial acquisitions and disposal of assets, amalgamation, merger and takeover, require the prior consent of the Special Shareholder.

The Special Shareholder has the right to require the Company to redeem the Special Share at par at any time. In a distribution of capital in a winding up of the Company, the Special Shareholder is entitled to the repayment of the capital paid up on the Special Share in priority to any repayment of capital to any other members. The Special Share does not confer any other right to participate in the capital or profits of the Company.

(b) Dividend Reinvestment Scheme (DRS)

On 27 March 2014, the Company announced a proposal to undertake a DRS that provides shareholders of the Company (Shareholders) the option to elect to reinvest, in whole or in part, their cash dividend which includes interim, final, special or any other cash dividend, in new ordinary share(s) of RM0.70 each in the Company (New TM Share).

The DRS received the approval from the Bursa Malaysia Securities Berhad via its letter dated 7 April 2014 and the Shareholders' approval at the Company's Extraordinary General Meeting on 8 May 2014.

Whenever the DRS is made applicable to any dividend distributed, shareholders have the following options to reinvest their cash dividend in New TM Shares (Option to Reinvest):

- to elect to participate by reinvesting in whole or in part the portion of such dividend to which the Option to Reinvest applies (Electable Portion), at the issue price for New TM Shares.

  In the event that only part of the Electable Portion is reinvested, the Shareholders shall receive the remaining portion of the dividend in cash; or

- to elect not to participate in the Option to Reinvest and thereby receive the entire dividend in cash.

Pursuant to DRS, the Company increased its issued and fully paid share capital from issuance of 33,342,157 New TM Shares on 25 October 2022 at an issue price of RM5.41 per New TM Shares relating to the Electable Portion of the interim single-tier dividend for the financial year ended 31 December 2022 of 9.0 sen per TM Shares. This translates to 52.93% rate of acceptance of shareholders to reinvest their cash dividend (RM180.4 million) in New TM Shares.

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for the Financial Year Ended 31 December 2022

13. SHARE CAPITAL (CONTINUED)

(c) Long Term Incentive Plan (LTIP)

During the financial year, the Company issued 13,967,300 new ordinary shares amounting to RM77.1 million pursuant to the vesting of shares from the Restricted Share (RS) and Performance Share (PS) granted to employees on 17 June 2019, detailed as follows:

Number of issued ordinary shares	Issue price per share
13,967,300	RM5.52

Upon completion of DRS on listing and quotation of the above New TM Shares on Main Market Bursa Malaysia Securities Berhad as well as issuance of LTIP, the total issued and paid up share capital of the Company was RM3,986,526,703.47 comprising of 3,821,010,380 ordinary shares of RM0.70 each and 1 Special Rights Redeemable Preference Shares of RM1.00.

14. EMPLOYEE SHARE SCHEME – LONG TERM INCENTIVE PLAN (LTIP)

On 28 April 2016, shareholders of the Company approved the LTIP and the Grants of Shares of the Company to eligible employees of the Group and the Company at an Extraordinary General Meeting. The LTIP is a scheme under which shares may be issued by the Company to employees for no cash consideration.

The LTIP comprises a Restricted Share (RS) Grant and Performance Share (PS) Grant where for clarification purposes, the main differences in the features of the RS Grant and the PS Grant are the eligibility of the Eligible Employees in terms of their job grades in the Group, the performance metrics to be met which will be determined prior to the grant being made in writing to the Eligible Employees and the vesting periods of the Grant to the Eligible Employees. A committee has been established to administer the LTIP (LTIP Committee) in accordance with the By-Laws governing the LTIP.

Features of LTIP

(i) Eligibility

All employees other than a non-executive or independent Directors of the Company, who has entered into a full-time or fixed-term employment with, and is on the payroll of the Group or the Company are eligible to participate in the scheme (Eligible Employees) subject to fulfilling any other eligibility criteria which may be determined by the LTIP Committee at its sole discretion from time to time. Eligible Employees may elect not to participate in the scheme.

(ii) Maximum number of new ordinary shares of the Company under the LTIP

The total number of new ordinary shares of the Company which may be made available under the LTIP shall not exceed in aggregate ten percent (10%) of the issued and paid-up ordinary share capital of the Company (excluding treasury shares) (Maximum Shares) at any point in time over the duration of the LTIP.

(iii) 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 Eligible Employees (as defined in the By-Laws in relation to the LTIP shall be at the absolute discretion of the LTIP Committee) after taking into consideration amongst other factors, the performance, his/her potential for future development and contribution to the success and development of the Group and such other criteria as the LTIP Committee may deem relevant.

Further, not more than 10% of the Company's new ordinary shares available under the LTIP 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 issued and fully paid-up share capital.

The LTIP Committee shall have sole and absolute discretion in determining whether the shares of the Company available for vesting under the Proposed LTIP are to be granted to the Eligible Employees or any group or groups of Eligible Employees via:

(a) one single Grant (as the case may be) at a time determined by the LTIP Committee; or

(b) several Grants (as the case may be) where the vesting of the Company's Shares comprised in those Grants are staggered or made in several tranches at such times and on terms determined by the LTIP Committee.

In the event the LTIP Committee decides that the Grant or vesting of any number of shares of the Company under LTIP is to be staggered, the number of shares to be granted in each Grant and the timing for the vesting of the same shall be decided by the LTIP Committee at its sole and absolute discretion. Each Grant shall be separate and independent from the others.

14. EMPLOYEE SHARE SCHEME – LONG TERM INCENTIVE PLAN (LTIP) (CONTINUED)

Features of LTIP (continued)

(iv) Duration of the LTIP

The LTIP shall continue to be in force for a period of ten (10) years commencing from the effective date of implementation of the Proposed LTIP, being the date on which full compliance with the relevant requirements under the By-Laws and the Listing Requirements in relation to the Proposed LTIP, have been obtained and/or met.

On the expiry of the LTIP, any Grants which have yet to be vested (whether fully or partially) shall be deemed terminated and be null and void. Notwithstanding anything set out in the By-Laws and subject to compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad in relation to the LTIP, the LTIP may be terminated at any time during its term.

(v) Ranking of the shares issued under the LTIP

The new shares issued under the LTIP shall be subject to the provisions of the memorandum and articles of association of the Company. The new shares, shall, upon issuance and allotment, rank equally in all respects with the then existing shares of the Company, except that they shall not be entitled to any dividend, rights, allotment and/or other distribution, the entitlement date of which is prior to the date on which the new shares are allotted to the grantees pursuant to the LTIP.

(vi) Restrictions on Transfer

The new shares issued under the LTIP will be subject to such restriction on transfer upon the terms and conditions in accordance with the By-Laws.

The Group and the Company implemented the LTIP with effect from 29 September 2016, after having obtained all required approvals and complied with the requirements pertaining to the LTIP.

Restricted Shares (RS)

Under the RS, selected Eligible Employees of the Group and the Company will be vested shares of the Company over the duration of the LTIP Period (as determined by the LTIP Committee for each tranche of RS respectively), subject to individual performance metrics being met and the achievement of certain operational measures, including but not limited to a profit after tax target and/or other financial measures as may be relevant in accordance with terms and conditions stipulated and determined by the LTIP Committee in its sole and absolute discretion.

In the event that the performance metrics are not met over the period set by the LTIP Committee as being applicable to the RS Grantees, the RS Grant will not be vested to them at the end of the said period.

Performance Shares (PS)

Under the PS, selected Eligible Employees and Executive Directors of the Group and the Company will be vested shares of the Company over the duration of the LTIP Period (as determined by the LTIP Committee for each tranche of PS respectively), subject to individual performance metrics being met and the achievement of certain market based indicators.

In the event that the performance metrics are not met over the period set by the LTIP Committee as being applicable to the PS Grantees, a roll over feature may extend the performance period and vesting date by one year.

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14. EMPLOYEE SHARE SCHEME – LONG TERM INCENTIVE PLAN (LTIP) (CONTINUED)

(a) The total number of the RS and PS granted for the Group and the Company, percentage of shares to be vested and the vesting period are as follow:

The Group and the Company			Entitlement over the Company's Shares	
RS/PS	Grant Date	Vesting Date	Number of Shares Granted	Reference Price per unit (RM)[1]
RS				
Grant 1	1 December 2016	31 July 2019	9,219,500	6.15
Grant 2	1 June 2017	3 August 2020	9,401,200	6.47
Grant 3	17 June 2019	1 June 2022	15,274,100	4.06
Grant 4	17 August 2020	17 August 2023	15,028,100	3.76
PS[2]				
Grant 1	1 June 2017	1 June 2020/1 June 2021[3]	1,928,100	6.35
Grant 2	4 December 2017	30 November 2020/30 November 2021[3]	1,854,200	6.26
Grant 3	17 June 2019	1 June 2022/1 June 2023	1,001,500	4.06
Grant 4	20 December 2019	15 December 2022/15 December 2023	1,117,800	3.85
Grant 5	17 August 2020	17 August 2023/16 August 2024	1,436,600	3.76
Grant 6	4 December 2020	30 November 2023/29 November 2024	1,127,300	5.10

1 Refers to the price at reference date for the purpose of granting the number of shares to the employees. For PS, this is based on a volume weighted-average price (VWAP).

2 In the event that certain performance metrics are not met over the period set by the LTIP Committee as being applicable to the PS Grantees, a roll over feature may extend the performance period and vesting date by one year.

3 The performance period and vesting date had been extended to 1 June 2021 and 30 November 2021 respectively and subsequently lapsed with no further extension.

14. EMPLOYEE SHARE SCHEME – LONG TERM INCENTIVE PLAN (LTIP) (CONTINUED)

(b) The movement during the financial year in the number of RS and PS shares of the Company, in which the employees of the Group and the Company are entitled to, is as follows:

Attributed to Grantees from the Group:

	Closing Price per unit at Grant Date (RM)	At 1 January	Granted	Addition/ Adjustment	Vested	Forfeited	At 31 December	Fair Value at Grant Date (RM)
2022								
RS								
Grant 3	**4.06**	**13,555,100**	**-**	**-**	**(13,248,000)***	**(307,100)**	**-**	**3.92**
Grant 4	**3.76**	**14,528,100**	**-**	**-**	**-**	**(461,100)**	**14,067,000**	**3.84**
PS								
Grant 3	**4.06**	**582,100**	**-**	**426,800**	**(984,800)***	**(24,100)**	**-**	**4.38**
Grant 4	**3.85**	**700,700**	**-**	**287,200**	**-**	**(137,600)**	**850,300**	**3.86**
Grant 5	**3.76**	**1,125,000**	**-**	**-**	**-**	**(153,700)**	**971,300**	**3.70**
Grant 6	**5.10**	**929,200**	**-**	**-**	**-**	**(119,900)**	**809,300**	**5.76**

* Out of the shares vested, 13,967,300 has been issued as shares of the Company, listed in Bursa Malaysia Securities Berhad as at 31 December 2022. 265,500 is expected to be issued by 31 March 2023 subjected to certain administrative matters being addressed.

	Closing Price per unit at Grant Date (RM)	At 1 January	Granted	Addition/ Adjustment	Vested	Forfeited	At 31 December	Fair Value at Grant Date (RM)
2021								
RS								
Grant 3	4.06	13,910,400	-	-	-	(355,300)	13,555,100	3.92
Grant 4	3.76	14,977,300	-	-	-	(449,200)	14,528,100	3.84
PS								
Grant 1	6.47	1,159,200	-	-	-	(1,159,200)	-	4.12
Grant 2	5.97	1,187,700	-	-	-	(1,187,700)	-	3.25
Grant 3	4.06	648,600	-	-	-	(66,500)	582,100	4.38
Grant 4	3.85	832,600	-	-	-	(131,900)	700,700	3.86
Grant 5	3.76	1,360,400	-	-	-	(235,400)	1,125,000	3.70
Grant 6	5.10	1,127,300	-	-	-	(198,100)	929,200	5.76

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14. EMPLOYEE SHARE SCHEME – LONG TERM INCENTIVE PLAN (LTIP) (CONTINUED)

(b) The movement during the financial year in the number of RS and PS shares of the Company, in which the employees of the Group and the Company are entitled to, is as follows: (continued)

Attributed to Grantees from the Company:

	Closing Price per unit at Grant Date (RM)	At 1 January	Granted	Adjusted	Vested	Forfeited	At 31 December	Fair Value at Grant Date (RM)
2022								
RS								
Grant 3	**4.06**	**10,562,900**	**-**	**20,100**	**(10,351,200)***	**(231,800)**	**-**	**3.92**
Grant 4	**3.76**	**11,254,300**	**-**	**129,200**	**-**	**(277,500)**	**11,106,000**	**3.84**
PS								
Grant 3	**4.06**	**557,600**	**-**	**409,600**	**(943,100)***	**(24,100)**	**-**	**4.38**
Grant 4	**3.85**	**675,700**	**-**	**274,400**	**-**	**(137,600)**	**812,500**	**3.86**
Grant 5	**3.76**	**1,125,000**	**-**	**-**	**-**	**(153,700)**	**971,300**	**3.70**
Grant 6	**5.10**	**929,200**	**-**	**-**	**-**	**(119,900)**	**809,300**	**5.76**

* Out of the shares vested, 11,138,900 have been issued as shares of the Company, listed in Bursa Malaysia Securities Berhad as at 31 December 2022. 155,400 is expected to be issued by 31 March 2023 subjected to certain administrative matters being addressed.

2021								
RS								
Grant 3	4.06	10,774,000	-	24,700	-	(235,800)	10,562,900	3.92
Grant 4	3.76	11,528,300	-	21,600	-	(295,600)	11,254,300	3.84
PS								
Grant 1	6.47	1,118,700	-	-	-	(1,118,700)	-	4.12
Grant 2	5.97	1,142,500	-	-	-	(1,142,500)	-	3.25
Grant 3	4.06	624,100	-	-	-	(66,500)	557,600	4.38
Grant 4	3.85	807,600	-	-	-	(131,900)	675,700	3.86
Grant 5	3.76	1,360,400	-	-	-	(235,400)	1,125,000	3.70
Grant 6	5.10	1,127,300	-	-	-	(198,100)	929,200	5.76

14. EMPLOYEE SHARE SCHEME – LONG TERM INCENTIVE PLAN (LTIP) (CONTINUED)

(c) The fair value of the RS and PS granted in which MFRS 2 "Share-based Payments" applies, were estimated using the Monte Carlo simulation model. The significant inputs in the model are as follows:

	Entitlement Over the Company's Share Reference Price per unit (RM)			
RS	Grant 1	Grant 2	Grant 3	Grant 4
Reference price	6.15	6.47	4.06	3.76
Grant Date	1 December 2016	1 June 2017	17 June 2019	17 August 2020
Vesting Date	31 July 2019	3 August 2020	1 June 2022	17 August 2023
Closing Share Price at Grant Date	6.15	6.47	4.06	3.76

	Entitlement Over the Company's Share Reference Price per unit (RM)					
PS	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6
Reference price	6.35	6.26	4.06	3.85	3.76	5.10
Grant Date	1 June 2017	4 December 2017	17 June 2019	20 December 2019	17 August 2020	4 December 2020
Vesting Date	1 June 2020/ 1 June 2021	30 November 2020/ 30 November 2021	1 June 2022/ 1 June 2023	15 December 2022/ 15 December 2023	17 August 2023/ 16 August 2024	30 November 2023/ 29 November 2024
Closing Share Price at Grant Date	6.47	5.97	4.06	3.85	3.76	5.10

(d) The amounts recognised in the income statements as disclosed in note 6(b) to the audited financial statements for all employees arising from the RS and PS are summarised as below:

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Restricted Shares	**25.1**	35.6	**20.0**	27.7
Performance Shares	**6.4**	3.8	**6.2**	3.7

15. OTHER RESERVES

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Fair value through other comprehensive income (FVOCI) reserve	**99.1**	94.0	**99.1**	94.0
Hedging reserve (note 2(j))	**(13.2)**	13.5	**(13.2)**	13.5
Cost of hedging reserve (note 2(j))	**16.8**	22.7	**16.8**	22.7
Long term incentive plan reserve (note 2(x)(iv))	**81.9**	127.9	**81.1**	126.8
Currency translation differences arising from translation of:				
- subsidiaries	**32.9**	23.0	**-**	-
- associate	**2.5**	2.1	**-**	-
TOTAL OTHER RESERVES	**220.0**	283.2	**183.8**	257.0

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16. RETAINED PROFITS

As at 31 December 2022, all of the Company's retained profits of RM2,935.6 million (2021: RM2,543.3 million) is available for tax exempt dividend distribution to shareholders.

17. BORROWINGS

The Group	2022 Weighted Average Rate of Finance	2022 Non-current RM	2022 Current RM	2022 Total RM	2021 Weighted Average Rate of Finance	2021 Non-current RM	2021 Current RM	2021 Total RM
DOMESTIC								
Secured								
Borrowings from financial institutions (sub-note (a))	**4.68%**	**7.3**	**3.0**	**10.3**	3.59%	10.2	2.9	13.1
Total Domestic Secured	**4.68%**	**7.3**	**3.0**	**10.3**	3.59%	10.2	2.9	13.1
Unsecured								
Borrowings from financial institutions	**3.57%**	**-**	**34.3**	**34.3**	3.08%	-	56.2	56.2
Borrowings under Islamic principles								
- Islamic Medium Term Notes (sub-note (b))	**4.66%**	**3,049.4**	**250.0**	**3,299.4**	4.62%	3,299.3	300.0	3,599.3
Other borrowings (sub-note (c))	**4.46%**	**21.3**	**22.2**	**43.5**	4.41%	41.7	22.3	64.0
Total Domestic Unsecured	**4.64%**	**3,070.7**	**306.5**	**3,377.2**	4.60%	3,341.0	378.5	3,719.5
Total Domestic	**4.64%**	**3,078.0**	**309.5**	**3,387.5**	4.59%	3,351.2	381.4	3,732.6
FOREIGN								
Unsecured								
Borrowings under Islamic principles								
- Euro Medium Term Notes (sub-note (d))	**3.54%**	**552.2**	**-**	**552.2**	2.94%	730.7	-	730.7
Debentures (sub-note (e))	**7.88%**	**1,327.6**	**-**	**1,327.6**	7.88%	1,254.5	-	1,254.5
Other borrowings	**-**	**1.8**	**0.2**	**2.0**	-	2.0	0.2	2.2
Total Foreign	**6.59%**	**1,881.6**	**0.2**	**1,881.8**	6.05%	1,987.2	0.2	1,987.4
TOTAL BORROWINGS	**5.33%**	**4,959.6**	**309.7**	**5,269.3**	5.10%	5,338.4	381.6	5,720.0

	2022 Domestic RM	2022 Foreign RM	2022 Total RM	2021 Domestic RM	2021 Foreign RM	2021 Total RM
The Group's non-current borrowings are repayable as follows:						
After one year and up to five years	**2,028.5**	**1,880.6**	**3,909.1**	1,801.8	1,986.0	3,787.8
After five years and up to ten years	**1,049.5**	**0.7**	**1,050.2**	1,549.4	0.5	1,549.9
After ten years	**-**	**0.3**	**0.3**	-	0.7	0.7
	3,078.0	**1,881.6**	**4,959.6**	3,351.2	1,987.2	5,338.4

17. BORROWINGS (CONTINUED)

The Company	2022 Weighted Average Rate of Finance	2022 Non-current RM	2022 Current RM	2022 Total RM	2021 Weighted Average Rate of Finance	2021 Non-current RM	2021 Current RM	2021 Total RM
DOMESTIC								
Unsecured								
Borrowings under Islamic principles								
- Islamic Medium Term Notes (sub-note (b))	**4.66%**	**3,049.4**	**250.0**	**3,299.4**	4.62%	3,299.3	300.0	3,599.3
Other borrowings (sub-note (c))	**4.46%**	**21.3**	**22.2**	**43.5**	4.41%	41.7	22.2	63.9
Total Domestic	**4.66%**	**3,070.7**	**272.2**	**3,342.9**	4.62%	3,341.0	322.2	3,663.2
FOREIGN								
Unsecured								
Debentures (sub-note (e))	**7.88%**	**1,327.6**	**-**	**1,327.6**	7.88%	1,254.5	-	1,254.5
Other borrowings	**-**	**1.8**	**0.2**	**2.0**	-	2.0	0.2	2.2
Total Foreign	**7.86%**	**1,329.4**	**0.2**	**1,329.6**	7.86%	1,256.5	0.2	1,256.7
TOTAL BORROWINGS	**5.57%**	**4,400.1**	**272.4**	**4,672.5**	5.45%	4,597.5	322.4	4,919.9

	2022 Domestic RM	2022 Foreign RM	2022 Total RM	2021 Domestic RM	2021 Foreign RM	2021 Total RM
The Company's non-current borrowings are repayable as follows:						
After one year and up to five years	**2,021.2**	**1,328.4**	**3,349.6**	1,791.6	1,255.3	3,046.9
After five years and up to ten years	**1,049.5**	**0.7**	**1,050.2**	1,549.4	0.5	1,549.9
After ten years	**-**	**0.3**	**0.3**	-	0.7	0.7
	3,070.7	**1,329.4**	**4,400.1**	3,341.0	1,256.5	4,597.5

(a) Secured borrowings of subsidiaries are facilities relating to projects of the subsidiaries and are secured mainly by either assignment of proceeds receivable from projects as well as fixed and floating charge over assets.

(b) On 28 September 2018, the Company received approval from the Securities Commission Malaysia for the establishment of an Islamic Commercial Papers (ICP) programme and Islamic Medium Term Notes (IMTN) programme with a total combined limit of up to RM4.0 billion in nominal value, which have respective tenures of 7 and 30 years from the date of first issue. The ICP shall have a tenure of not more than 12 months whilst the IMTN between 1 to 30 years provided that the respective debt securities mature before the expiry of the respective programmes.

The proceeds from the issuance of the ICP and/or IMTN shall be utilised by TM Group and Company for capital expenditure and business operating requirements.

On 30 August 2013, the Company received approval from the Securities Commission Malaysia for the establishment of an ICP programme and IMTN programme with a total combined limit of up to RM3.0 billion in nominal value, which have respective tenures of 7 and 20 years from the date of first issue. The ICP shall have a tenure of not more than 12 months whilst the IMTN between 1 to 20 years provided that the respective debt securities mature before the expiry of the respective programmes.

On 5 April 2011, the Company established an ICP and IMTN programme with a combined limit of up to RM2.0 billion in nominal value, which had been fully issued by 2013. The ICP shall have a tenure of not more than 12 months whilst the IMTN between 1 to 10 years provided that the respective debt securities mature before the expiry of the respective programmes.

NOTES TO THE FINANCIAL STATEMENTS
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17. BORROWINGS (CONTINUED)

(b) The proceeds from the issuance of the ICP and/or IMTN programmes established in 2013 and 2011 respectively were used by the Company to meet its capital expenditure and business operating requirements.

In an Extraordinary General Meeting held on 1 March 2021 between holders of the IMTN, the Company obtained the required approval to redeem in full the outstanding IMTN under the RM2.0 billion ICP and IMTN programme that was established on 5 April 2011 (the 2011 Programme).

Subsequent to the approval, the Company paid in full the cash consideration relating to the early redemption on 16 March 2021 and the 2011 Programme was then cancelled accordingly.

The IMTN in issue as at the financial year end comprise the following (at nominal value):

	The Group and the Company	
	2022 RM	**2021 RM**
IMTN due in 2022 (3.95% - 4.23%)	**-**	300.0
IMTN due in 2023 (3.93% - 4.34%)	**250.0**	250.0
IMTN due in 2024 (4.55% - 4.82%)	**1,200.0**	1,200.0
IMTN due in 2025 (4.88%)	**300.0**	300.0
IMTN due in 2027 (4.58%)	**500.0**	500.0
IMTN due in 2028 (4.68% - 4.73%)	**1,050.0**	1,050.0
	3,300.0	3,600.0

(c) Domestic other borrowings include the present value of future repayment obligation related to government grants received by the Company.

(d) Multi-Currency Euro Medium Term Notes (EMTN) Sukuk programme

On 3 March 2015, the Company through its wholly-owned subsidiary, Tulip Maple Berhad (Tulip Maple), received approval from the Securities Commission Malaysia for the establishment of a EMTN Sukuk programme of up to USD750.0 million in nominal value (or its equivalent in foreign currencies).

On 25 February 2016, Tulip Maple issued a 10-year USD50.0 million Sukuk due on 25 February 2026. The Sukuk carries a periodic distribution rate of 3.7% per annum payable semi-annually in arrears on 25 August and 25 February of each financial year commencing August 2016.

On 19 August 2016, Tulip Maple issued a 7-year USD50.0 million Sukuk due on 21 August 2023. The Sukuk carries a periodic distribution rate of 1 month London Interbank Offered Rate (LIBOR) plus 1.35% per annum payable monthly in arrears on the 19th of every month commencing September 2016. On 19 August 2022, the Sukuk was redeemed ahead of its maturity and was subsequently cancelled accordingly.

On 15 November 2016, Tulip Maple issued a 10-year USD75.0 million Sukuk due on 15 November 2026. The Sukuk carries a periodic distribution rate of 3.422% per annum payable semi-annually in arrears on 15 May and 15 November of each financial year commencing May 2017.

Proceeds from these transactions were utilised to finance the Company's capital expenditure and business operating requirements. The carrying value of EMTN in issue comprise the following:

	The Group	
	2022 RM	**2021 RM**
EMTN due in 2026 (3.70%)	**220.4**	207.8
EMTN due in 2023 (1 month LIBOR plus 1.35%)	**-**	209.2
EMTN due in 2026 (3.422%)	**331.8**	313.7
	552.2	730.7

17. BORROWINGS (CONTINUED)

(e) Debentures consist of the following:

	The Group and the Company	
	2022 RM	2021 RM
USD300.0 million 7.875% Debentures due in 2025	**1,327.6**	1,254.5

None of the Debentures were redeemed, purchased or cancelled during the current financial year.

18. PAYABLE TO A SUBSIDIARY

On 3 March 2015, the Company's wholly-owned subsidiary, Tulip Maple Berhad (Tulip Maple), received approval from the Securities Commission Malaysia for the establishment of a Multi-Currency Euro Medium Term Notes (EMTN) Sukuk Programme of up to USD750.0 million in nominal value (or its equivalent in foreign currencies).

On 25 February 2016, Tulip Maple issued a 10-year USD50.0 million Sukuk due on 25 February 2026. The Sukuk carries a periodic distribution rate of 3.7% per annum payable semi-annually in arrears on 25 August and 25 February of each financial year commencing August 2016.

On 19 August 2016, Tulip Maple issued a 7-year USD50.0 million Sukuk due on 21 August 2023. The Sukuk carries a periodic distribution rate of 1 month LIBOR plus 1.35% per annum payable monthly in arrears on the 19th of every month commencing September 2016. The Sukuk was redeemed ahead of its maturity on 19 August 2022 and was subsequently cancelled accordingly.

On 15 November 2016, Tulip Maple issued a 10-year USD75.0 million Sukuk due on 15 November 2026. The Sukuk carries a periodic distribution rate of 3.422% per annum payable semi-annually in arrears on 15 May and 15 November of each financial year commencing May 2017.

Proceeds from these transactions were utilised to finance the Company's capital expenditure and business operating requirements.

The term loans and Sukuk are reflected as borrowings of the Group (note 17 to the audited financial statements).

19. LEASE LIABILITIES

	2022				2021			
	Average Incremental Borrowing Rate	Non-current RM	Current RM	Total RM	Average Incremental Borrowing Rate	Non-current RM	Current RM	Total RM
The Group								
Lease liabilities	**5.42%**	**1,544.2**	**230.3**	**1,774.5**	5.44%	1,553.4	330.3	1,883.7
The Company								
Lease liabilities	**6.02%**	**652.2**	**77.1**	**729.3**	6.13%	564.3	144.4	708.7

The Group's and the Company's maturity profile of lease liabilities are disclosed in note 49 to the audited financial statements.

NOTES TO THE FINANCIAL STATEMENTS
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20. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING TRANSACTIONS

The Group and the Company	Contract or notional amount RM	Fair value Assets RM	Fair value Liabilities RM	Fair value (loss)/gain during the financial year RM
2022				
Derivatives accounted for under hedge accounting				
Interest rate swaps – cash flow hedge				
- redeemed during the year	**-**	**-**	**-**	**4.6**
Cross currency interest rate swaps – cash flow hedge (sub-note (i))				
- 1 year to 3 years (sub-note (a))	**310.5**	**132.0**	**-**	**(13.4)**
TOTAL	**310.5**	**132.0**	**-**	**(8.8)**
2021				
Derivatives accounted for under hedge accounting				
Interest rate swaps – cash flow hedge				
- 1 year to 3 years (sub-note (b))	209.2	-	4.6	4.6
Cross currency interest rate swaps – cash flow hedge (sub-note (i))				
- more than 3 years (sub-note (a))	310.5	145.4	-	(2.6)
TOTAL	519.7	145.4	4.6	2.0

The cumulative gains or losses on the hedged items attributable to the hedged risk is taken to reserve. Hedge accounting has been applied for the above hedges.

(i) Hedge accounting has been applied for these cash flow hedges where the underlying hedged items are as follow:

(a) the hedged portion of the recurring semi-annual coupon payment and final settlement of the USD300.0 million 7.875% Debentures due in 2025.

(b) semi-annual interest payment at a monthly accrued floating rate of 1 month LIBOR plus 1.35% per annum and final settlement of the USD50.0 million Islamic Euro Medium Term Notes (EMTN) due in 2023.

Fair values of financial derivative instruments are the present values of their future cash flows. Favourable fair value indicates amount receivable by the Group and the Company if the contracts are terminated or vice versa. The Group and the Company are exposed to credit risk where the fair value of the contract is favourable, where the counterparty is required to pay the Group or the Company in the event of contract termination.

The maximum exposure to credit risk at the reporting date is the carrying amount of the derivative assets as presented on the Statements of Financial Position.

20. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING TRANSACTIONS (CONTINUED)

Summarised below are the derivative hedging transactions entered into by the Company:

(a) Cross Currency Interest Rate Swap (CCIRS) Contracts

Underlying Liability
USD300.0 million 7.875% Debentures due in 2025

In 1995, the Company issued USD300.0 million 7.875% Debentures due in 2025.

Hedging Instruments

On 17 October 2011, the Company entered into a CCIRS agreement with a notional amount of USD50.0 million that entitles it to receive interest at a fixed rate of 7.875% per annum on USD notional amount and obliges it to pay interest at a fixed rate of 7.875% on the RM notional amount (calculated at a pre-determined exchange rate). The swap will mature on 1 August 2025. On the maturity date, the Company would receive the USD notional amount and pay the counterparty an equivalent RM amount of RM154.0 million.

On 2 December 2011, the Company entered into another CCIRS agreement with a notional amount of USD50.0 million that entitles it to receive interest at a fixed rate of 7.875% per annum on USD notional amount and obliges it to pay interest at a fixed rate of 7.875% on the RM notional amount (calculated at a pre-determined exchange rate). The swap will mature on 1 August 2025. On the maturity date, the Company would receive the USD notional amount and pay the counterparty an equivalent RM amount of RM156.5 million.

The CCIRS contracts effectively convert part of the USD liability into RM liability.

(b) Interest Rate Swap (IRS) Contract

Underlying Liability
USD50.0 million 1 month LIBOR plus 1.35% Islamic Euro Medium Term Notes (EMTN) due in 2023

In 2016, the Company, through its wholly-owned subsidiary, Tulip Maple Berhad issued USD50.0 million Sukuk due on 21 August 2023.

Hedging Instrument

On 19 August 2016, the Company entered into an IRS agreement with a notional amount of USD50.0 million that entitles it to receive interest semi-annually at a monthly accrued floating rate of 1 month LIBOR plus 1.35% per annum. The Company is obliged to pay interest at a fixed rate of 2.85% per annum. The swap will mature on 21 August 2023.

On 19 August 2022, the Sukuk was redeemed ahead of its maturity and was subsequently cancelled accordingly. The IRS was concurrently unwound on 19 August 2022.

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21. DEFERRED TAX

Deferred tax assets and liabilities 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 presented on the Statements of Financial Position:

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Subject to income tax:				
Deferred tax assets	**24.1**	22.2	**-**	-
Deferred tax liabilities	**1,425.8**	1,499.0	**1,412.6**	1,463.6
TOTAL DEFERRED TAX	**1,401.7**	1,476.8	**1,412.6**	1,463.6
At 1 January	**1,476.8**	1,447.1	**1,463.6**	1,419.5
Current year charged/(credited) to the Income Statement arising from:				
- property, plant and equipment	**8.5**	38.3	**(40.1)**	60.7
- right-of-use assets	**(81.9)**	61.7	**(59.4)**	20.1
- lease liabilities	**73.5**	(55.5)	**58.9**	(16.3)
- contract liabilities	**(34.9)**	(22.5)	**(29.4)**	(3.5)
- contract assets and others	**(14.0)**	61.3	**(34.0)**	66.6
- provisions and others	**(26.1)**	(53.6)	**53.0**	(83.5)
	(74.9)	29.7	**(51.0)**	44.1
- currency translation differences	**(0.2)**	#	**-**	-
At 31 December	**1,401.7**	1,476.8	**1,412.6**	1,463.6

Amount less than RM0.1 million

21. DEFERRED TAX (CONTINUED)

Breakdown of cumulative balances by each type of temporary difference:

		The Group		The Company	
		2022 RM	2021 RM	2022 RM	2021 RM
(a)	**Deferred tax assets**				
	Property, plant and equipment	**2.1**	60.5	**-**	-
	Lease liabilities	**319.7**	393.2	**175.0**	233.9
	Contract liabilities	**302.9**	268.0	**284.9**	255.5
	Provisions and others	**386.0**	359.9	**287.5**	340.5
		1,010.7	1,081.6	**747.4**	829.9
	Currency translation differences	**0.2**	#	**-**	-
		1,010.9	1,081.6	**747.4**	829.9
	Offsetting	**(986.8)**	(1,059.4)	**(747.4)**	(829.9)
	Total deferred tax assets after offsetting	**24.1**	22.2	**-**	-
(b)	**Deferred tax liabilities**				
	Property, plant and equipment	**1,939.4**	1,989.3	**1,835.7**	1,875.8
	Right-of-use assets	**299.8**	381.7	**165.6**	225.0
	Contract assets and others	**173.4**	187.4	**158.7**	192.7
		2,412.6	2,558.4	**2,160.0**	2,293.5
	Offsetting	**(986.8)**	(1,059.4)	**(747.4)**	(829.9)
	Total deferred tax liabilities after offsetting	**1,425.8**	1,499.0	**1,412.6**	1,463.6

Amount less than RM0.1 million

The unutilised tax losses and unabsorbed capital/other tax allowances of subsidiaries for which no deferred tax asset has been recognised on the Statement of Financial Position are as follows:

	The Group	
	2022 RM	2021 RM
Unutilised tax losses	**3,158.0**	3,067.3
Unabsorbed capital/other tax allowances and others	**3,953.4**	3,921.0
	7,111.4	6,988.3

The benefits of these tax losses and credits will only be obtained if the relevant subsidiaries derive future assessable income of a nature and amount sufficient for the benefits to be utilised. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future.

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21. DEFERRED TAX (CONTINUED)

(a) Under the Malaysian Finance Act 2018 which was gazetted on 27 December 2018, the Group's unutilised tax losses will be imposed with a time limit of utilisation. Effective from year of assessment 2018, unutilised tax losses in a year of assessment can only be carried forward for a maximum period of 7 consecutive years of assessment. The Malaysian Finance Act 2021 has subsequently extended the utilisation period to 10 years. With that, the expiry dates of the Group's tax losses are summarised below:

	The Group	
	2022 RM	2021 RM
Year of assessment 2028	**2,566.8**	2,625.3
Year of assessment 2029	**312.9**	301.1
Year of assessment 2030	**132.8**	114.7
Year of assessment 2031	**78.5**	26.2
Year of assessment 2032	**67.0**	-

(b) Unabsorbed capital/other tax allowances and others includes investment tax allowances with the following expiry:

	The Group	
	2022 RM	2021 RM
Year of assessment 2025	**600.8**	600.8

22. DEFERRED INCOME

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
At 1 January	**1,649.8**	1,589.7	**1,633.4**	1,575.2
Additions	**309.3**	384.8	**306.7**	379.2
Credited to the Income Statement	**(328.4)**	(324.7)	**(324.5)**	(321.0)
At 31 December	**1,630.7**	1,649.8	**1,615.6**	1,633.4

Deferred income includes government funding for Universal Service Provision (USP), High Speed Broadband (HSBB), HSBB2, Sub-Urban Broadband (SUBB), USP Broadband Fiberisation (BBF), Point of Presence (POP), Broadband to the General Population (BBGP) and Sistem Kabel Rangkaian 1Malaysia (SKR1M) projects respectively which are amortised on a straight line basis over the estimated useful lives of the related assets.

23. PROPERTY, PLANT AND EQUIPMENT

The Group	Telecom-munications Network RM	Movable Plant and Equipment RM	Computer Support Systems RM	Land (sub-note (c)) RM	Buildings RM	Capital Work-In-Progress RM	Total Property, Plant and Equipment RM
Net Book Value							
As at 1 January 2022	**9,130.0**	**225.9**	**502.4**	**890.4**	**1,945.6**	**661.8**	**13,356.1**
Additions (sub-note (a))	**485.6**	**57.3**	**0.3**	**-**	**12.2**	**2,068.8**	**2,624.2**
Assetisation	**1,103.2**	**6.1**	**144.2**	**-**	**63.3**	**(1,316.8)**	**-**
Disposals	**(5.8)**	**(3.0)**	**(0.1)**	**(0.1)**	**(3.0)**	**-**	**(12.0)**
Charged to Income Statement	**-**	**-**	**-**	**-**	**-**	**(52.4)**	**(52.4)**
Write-off (note 6(a))	**(4.4)**	**(3.0)**	**-**	**-**	**(2.4)**	**(5.9)**	**(15.7)**
Depreciation (note 6(a))	**(1,922.7)**	**(78.9)**	**(150.0)**	**(1.1)**	**(183.5)**	**-**	**(2,336.2)**
Reversal/(Impairment charge) (note 6(a) and sub-note (b))	**16.3**	**(0.1)**	**-**	**-**	**(1.6)**	**-**	**14.6**
Currency translation differences	**-**	**0.1**	**0.1**	**-**	**1.8**	**(0.1)**	**1.9**
Transfer intangible asset (note 25)	**-**	**-**	**(33.5)**	**-**	**-**	**-**	**(33.5)**
Reclassification	**(2.9)**	**4.9**	**(2.3)**	**-**	**0.3**	**-**	**-**
At 31 December 2022	**8,799.3**	**209.3**	**461.1**	**889.2**	**1,832.7**	**1,355.4**	**13,547.0**
At 31 December 2022							
Cost	**43,701.2**	**1,702.9**	**4,507.5**	**914.2**	**5,106.8**	**1,356.4**	**57,289.0**
Accumulated depreciation	**(33,709.4)**	**(1,493.6)**	**(3,974.5)**	**(22.3)**	**(3,274.1)**	**-**	**(42,473.9)**
Accumulated impairment	**(1,192.5)**	**-**	**(71.9)**	**(2.7)**	**-**	**(1.0)**	**(1,268.1)**
Net Book Value	**8,799.3**	**209.3**	**461.1**	**889.2**	**1,832.7**	**1,355.4**	**13,547.0**
Net Book Value							
As at 1 January 2021	9,288.1	242.2	580.5	892.1	2,082.3	459.6	13,544.8
Additions (sub-note (a))	542.9	81.6	2.3	-	12.8	1,350.2	1,989.8
Assetisation	933.2	13.3	70.6	-	72.8	(1,089.9)	-
Disposals	(0.9)	(9.6)	-	-	(0.1)	-	(10.6)
Charged to Income Statement	-	-	-	-	-	(53.1)	(53.1)
Write-off (note 6(a))	(1.3)	(3.2)	(2.3)	-	(2.4)	(5.0)	(14.2)
Depreciation (note 6(a))	(1,581.0)	(94.3)	(151.0)	(1.2)	(199.3)	-	(2,026.8)
Impairment (note 6(a) and sub-note (b))	(51.2)	-	-	-	(22.9)	-	(74.1)
Currency translation differences	-	(2.9)	2.0	-	1.2	-	0.3
Reclassification	0.2	(1.2)	0.3	(0.5)	1.2	-	-
At 31 December 2021	9,130.0	225.9	502.4	890.4	1,945.6	661.8	13,356.1
At 31 December 2021							
Cost	49,570.0	2,734.0	5,493.2	913.6	5,038.6	662.8	64,412.2
Accumulated depreciation	(39,035.0)	(2,487.2)	(4,981.7)	(20.6)	(3,070.1)	-	(49,594.6)
Accumulated impairment	(1,405.0)	(20.9)	(9.1)	(2.6)	(22.9)	(1.0)	(1,461.5)
Net Book Value	9,130.0	225.9	502.4	890.4	1,945.6	661.8	13,356.1

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23. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Company	Telecom-munications Network RM	Movable Plant and Equipment RM	Computer Support Systems RM	Land (sub-note (c)) RM	Buildings RM	Capital Work-In-Progress RM	Total Property, Plant and Equipment RM
Net Book Value							
As at 1 January 2022	**8,611.0**	**207.7**	**331.8**	**413.5**	**1,487.8**	**760.3**	**11,812.1**
Additions (sub-note (a))	**470.0**	**47.3**	**0.4**	**-**	**8.6**	**1,934.9**	**2,461.2**
Assetisation	**1,067.9**	**3.6**	**120.0**	**-**	**61.9**	**(1,253.4)**	**-**
Disposals	**-**	**(2.2)**	**-**	**(0.1)**	**(0.1)**	**-**	**(2.4)**
Charged to Income Statement	**-**	**-**	**-**	**-**	**-**	**(52.4)**	**(52.4)**
Write-off (note 6(a))	**(4.4)**	**(0.3)**	**-**	**-**	**(1.8)**	**(5.9)**	**(12.4)**
Depreciation (note 6(a))	**(1,810.1)**	**(59.7)**	**(122.4)**	**(1.0)**	**(154.4)**	**-**	**(2,147.6)**
Impairment reversal (note 6(a) and sub-note (b))	**8.9**	**-**	**-**	**-**	**-**	**-**	**8.9**
Transfer to intangible asset (note 25)	**-**	**-**	**(32.5)**	**-**	**-**	**-**	**(32.5)**
Reclassification	**(4.4)**	**4.2**	**0.7**	**-**	**(0.5)**	**-**	**-**
At 31 December 2022	**8,338.9**	**200.6**	**298.0**	**412.4**	**1,401.5**	**1,383.5**	**12,034.9**
At 31 December 2022							
Cost	**41,060.2**	**1,272.0**	**3,731.9**	**434.3**	**4,174.5**	**1,383.5**	**52,056.4**
Accumulated depreciation	**(32,204.5)**	**(1,071.4)**	**(3,432.4)**	**(19.3)**	**(2,773.0)**	**-**	**(39,500.6)**
Accumulated impairment	**(516.8)**	**-**	**(1.5)**	**(2.6)**	**-**	**-**	**(520.9)**
Net Book Value	**8,338.9**	**200.6**	**298.0**	**412.4**	**1,401.5**	**1,383.5**	**12,034.9**
Net Book Value							
As at 1 January 2021	8,756.1	220.5	315.0	415.1	1,597.2	482.4	11,786.3
Additions (sub-note (a))	439.5	57.6	2.2	-	7.4	1,349.9	1,856.6
Assetisation	825.5	4.6	136.5	-	48.9	(1,015.5)	-
Disposals	-	(3.5)	-	-	-	-	(3.5)
Charged to Income Statement	-	-	-	-	-	(53.1)	(53.1)
Write-off (note 6(a))	-	(2.3)	(1.1)	-	(2.1)	(3.4)	(8.9)
Depreciation (note 6(a))	(1,410.3)	(68.0)	(121.1)	(1.1)	(164.8)	-	(1,765.3)
Reclassification	0.2	(1.2)	0.3	(0.5)	1.2	-	-
At 31 December 2021	8,611.0	207.7	331.8	413.5	1,487.8	760.3	11,812.1
At 31 December 2021							
Cost	39,891.2	1,283.0	3,748.2	434.5	4,148.1	760.3	50,265.3
Accumulated depreciation	(30,752.3)	(1,075.3)	(3,414.9)	(18.4)	(2,660.3)	-	(37,921.2)
Accumulated impairment	(527.9)	-	(1.5)	(2.6)	-	-	(532.0)
Net Book Value	8,611.0	207.7	331.8	413.5	1,487.8	760.3	11,812.1

23. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Included in additions of the Group and the Company are borrowing costs of RM1.2 million (2021: RM0.5 million) directly attributable to the construction of qualifying assets.

(b) Impairment loss

For the purpose of annual review of impairment and recoverable value of network assets and property, plant and equipment at large, the lowest cash generating units (CGU) to which property, plant and equipment and network assets are associated to for these reviews would be the respective entities in whose books the assets are recorded in. This is in view of the fact that consistently across the Group, network assets are maintained and economically utilised and monitored as a whole, by entity. Each entity's network is used independently in generating the portfolio of products it offers.

(i) The Group continues to perform annual impairment review of its mobile network assets. The review perfomed at the end of the current financial year concluded that no impairment was necessary.

The following are the assumptions used in the review for the Group's mobile network asset for the current and previous financial year. The assessment was triggered by the financial results of the entity to which the assets belong to.

- The value-in-use calculated for financial year ended 31 December 2022 was based on a 10-years discounted cash flow projection from 2023 to 2032 (2021: 2022 to 2031);

- The cash flows assessed were centered on the Group's mobile CGU comprising of all related future cash flows reasonably expected from mobile activities, based on an approach that is technology agnostic;

- No terminal value is applied in view of the finite life of the assets under review and the 10 year cash flow horizon is reflective of the remaining useful life of the assets under review;

- The forecast over these periods reflect management's expectation of revenue growth including expected impact of the technological, economical and regulatory development; and

- The discount rate used to calculate the value-in-use is 12.0% (2021: 12.0%), reflective of relevant and current market indicators.

The impairment review performed at the end of the previous financial year resulted in the recognition of a RM49.0 million provision for impairment. No impairment loss was recognised from the impairment review performed in the current financial year ended.

(ii) During the previous financial year, the Group recognised an impairment of the RM22.9 million worth of property, plant and equipment of a wholly-owned subsidiary following the Group's decision not to renew the concession agreement that was due to end on 30 April 2022. The subsidiary was subsequently disposed on 31 October 2022 as disclosed in note 53(a) to the audited financial statements.

(c) Review of useful life

During the financial year, the Group and the Company performed an annual review to assess the useful life of its property, plant and equipment. This review has taken into consideration changes in technology, latest findings in research and development and updated practises of the telecommunication industry. Arising from this review, the useful life of certain network and last mile elements have been revised from 25 to 20 years and from 3 to 2 years respectively. The net impact of this change in estimates was a RM282.8 million increase in depreciation for the current financial year.

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23. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(d) Details of land are as follows:

The Group	Freehold RM	Leasehold (sub-note (i)) RM	Other Land (sub-note (ii)) RM	Total RM
Net Book Value				
At 1 January 2022	**788.1**	**74.1**	**28.2**	**890.4**
Disposals	**-**	**(0.1)**	**-**	**(0.1)**
Depreciation	**-**	**(1.1)**	**-**	**(1.1)**
At 31 December 2022	**788.1**	**72.9**	**28.2**	**889.2**
At 31 December 2022				
Cost	**790.7**	**94.9**	**28.6**	**914.2**
Accumulated depreciation	**-**	**(21.9)**	**(0.4)**	**(22.3)**
Accumulated impairment	**(2.6)**	**(0.1)**	**-**	**(2.7)**
Net Book Value	**788.1**	**72.9**	**28.2**	**889.2**
Net Book Value				
At 1 January 2021	787.9	75.3	28.9	892.1
Depreciation	-	(1.2)	-	(1.2)
Reclassification	0.2	-	(0.7)	(0.5)
At 31 December 2021	788.1	74.1	28.2	890.4
At 31 December 2021				
Cost	790.7	94.3	28.6	913.6
Accumulated depreciation	-	(20.2)	(0.4)	(20.6)
Accumulated impairment	(2.6)	-	-	(2.6)
Net Book Value	788.1	74.1	28.2	890.4

23. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(d) Details of land are as follows: (continued)

The Company	Freehold RM	Leasehold (sub-note (i)) RM	Other Land (sub-note (ii)) RM	Total RM
Net Book Value				
At 1 January 2022	**321.0**	**64.3**	**28.2**	**413.5**
Disposals	**-**	**(0.1)**	**-**	**(0.1)**
Depreciation	**-**	**(1.0)**	**-**	**(1.0)**
At 31 December 2022	**321.0**	**63.2**	**28.2**	**412.4**
At 31 December 2022				
Cost	**323.6**	**82.1**	**28.6**	**434.3**
Accumulated depreciation	**-**	**(18.9)**	**(0.4)**	**(19.3)**
Accumulated impairment	**(2.6)**	**-**	**-**	**(2.6)**
Net Book Value	**321.0**	**63.2**	**28.2**	**412.4**
Net Book Value				
At 1 January 2021	320.8	65.4	28.9	415.1
Depreciation	-	(1.1)	-	(1.1)
Reclassification	0.2	-	(0.7)	(0.5)
At 31 December 2021	321.0	64.3	28.2	413.5
At 31 December 2021				
Cost	323.6	82.3	28.6	434.5
Accumulated depreciation	-	(18.0)	(0.4)	(18.4)
Accumulated impairment	(2.6)	-	-	(2.6)
Net Book Value	321.0	64.3	28.2	413.5

(i) Leasehold land comprise the following:

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Long term leasehold land	**52.2**	53.4	**51.9**	52.6
Short term leasehold land	**20.7**	20.7	**11.3**	11.7
Total	**72.9**	74.1	**63.2**	64.3

Long term leasehold land has remaining unexpired lease period of 50 years and above.

(ii) The title deeds pertaining to other land have not yet been registered in the name of the Company. Pending finalisation with the relevant authorities, these lands have not been classified according to their tenures.

Other land will be reclassified accordingly as and when the title deeds pertaining to these lands have been registered.

NOTES TO THE FINANCIAL STATEMENTS
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24. INVESTMENT PROPERTY

	The Company	
	2022 RM	2021 RM
Net Book Value		
At 1 January	**99.5**	101.5
Additions	**0.4**	-
Depreciation (note 6(a))	**(2.0)**	(2.0)
At 31 December	**97.9**	99.5
At 31 December		
Cost	**128.4**	128.0
Accumulated depreciation	**(30.5)**	(28.5)
Net Book Value	**97.9**	99.5

The investment property of the Company comprises an office building located on a freehold land which is rented and occupied by a wholly-owned subsidiary.

The fair value of the property of the Company at 31 December 2022 was RM160.0 million (2021: RM150.0 million) based on a valuation performed by an independent professional valuer. The valuation was based on unobservable market data, classified at Level 3 of fair value hierarchy.

25. INTANGIBLE ASSETS

The Group	Goodwill RM	Telecom-munication Spectrum** RM	Infrastructure Software RM	Application Software RM	Other Intangible Assets* RM	Software Development RM	Total RM
Net Book Value							
At 1 January 2022	**309.6**	**135.2**	**24.0**	**160.5**	**36.1**	**-**	**665.4**
Additions	**-**	**7.1**	**-**	**3.3**	**46.1**	**161.0**	**217.5**
Assetisation	**-**	**-**	**13.2**	**141.3**	**-**	**(154.5)**	**-**
Amortisation (note 6(a))	**-**	**(25.8)**	**(8.9)**	**(82.7)**	**(42.3)**	**-**	**(159.7)**
Write-off/Retirement (note 6(a))	**-**	**-**	**#**	**(5.4)**	**-**	**(5.5)**	**(10.9)**
Transfer from Property, Plant and Equipment (note 23)	**-**	**-**	**-**	**33.4**	**0.1**	**-**	**33.5**
At 31 December 2022	**309.6**	**116.5**	**28.3**	**250.4**	**40.0**	**1.0**	**745.8**
At 31 December 2022							
Cost	**366.7**	**175.3**	**81.2**	**571.3**	**178.2**	**1.0**	**1,373.7**
Accumulated amortisation	**-**	**(38.5)**	**(52.9)**	**(319.7)**	**(138.2)**	**-**	**(549.3)**
Accumulated impairment	**(57.1)**	**(20.3)**	**-**	**(1.2)**	**-**	**-**	**(78.6)**
Net Book Value	**309.6**	**116.5**	**28.3**	**250.4**	**40.0**	**1.0**	**745.8**
Net Book Value							
At 1 January 2021	309.6	168.2	32.5	164.3	26.1	-	700.7
Additions	-	-	0.4	-	41.9	53.8	96.1
Assetisation	-	-	1.3	52.5	-	(53.8)	-
Amortisation (note 6(a))	-	(12.7)	(10.2)	(56.3)	(31.9)	-	(111.1)
Write-off/Retirement (note 6(a))	-	-	-	#	-	-	#
Impairment (note 6(a))	-	(20.3)	-	-	-	-	(20.3)
At 31 December 2021	309.6	135.2	24.0	160.5	36.1	-	665.4
At 31 December 2021							
Cost	366.7	168.2	68.3	397.0	165.3	-	1,165.5
Accumulated amortisation	-	(12.7)	(43.9)	(235.3)	(129.2)	-	(421.1)
Accumulated impairment	(57.1)	(20.3)	(0.4)	(1.2)	-	-	(79.0)
Net Book Value	309.6	135.2	24.0	160.5	36.1	-	665.4

\# Amount less than RM0.1 million
* Other intangible assets comprise the fair value of acquired development expenditure incurred in the design, development and testing of products and services, software and programme rights of subsidiaries
** Allocated to TM Technology Services Sdn Bhd (formerly known as Webe Digital Sdn Bhd) (TM Tech)

25. INTANGIBLE ASSETS (CONTINUED)

The Company	Infrastructure Software RM	Application Software RM	Software Development RM	Total RM
Net Book Value				
At 1 January 2022	**21.1**	**158.5**	**-**	**179.6**
Additions	**-**	**0.1**	**155.7**	**155.8**
Assetisation	**13.2**	**136.0**	**(149.2)**	**-**
Amortisation (note 6(a))	**(8.5)**	**(79.9)**	**-**	**(88.4)**
Write-off/Retirement (note 6(a))	**-**	**(5.3)**	**(5.5)**	**(10.8)**
Transfer from Property, Plant and Equipment (note 23)	**-**	**32.5**	**-**	**32.5**
At 31 December 2022	**25.8**	**241.9**	**1.0**	**268.7**
At 31 December 2022				
Cost	**77.2**	**549.9**	**1.0**	**628.1**
Accumulated amortisation	**(51.4)**	**(307.2)**	**-**	**(358.6)**
Accumulated impairment	**-**	**(0.8)**	**-**	**(0.8)**
Net Book Value	**25.8**	**241.9**	**1.0**	**268.7**
Net Book Value				
At 1 January 2021	29.6	162.7	-	192.3
Additions	-	-	52.8	52.8
Assetisation	1.3	51.5	(52.8)	-
Amortisation (note 6(a))	(9.8)	(55.7)	-	(65.5)
At 31 December 2021	21.1	158.5	-	179.6
At 31 December 2021				
Cost	64.0	380.2	-	444.2
Accumulated amortisation	(42.9)	(220.9)	-	(263.8)
Accumulated impairment	-	(0.8)	-	(0.8)
Net Book Value	21.1	158.5	-	179.6

(a) Impairment test for goodwill

The Group undertakes an annual test for impairment of its cash-generating units to which goodwill is allocated. A review in the financial year ended 2018 resulted to a reallocation of the goodwill from VADS Berhad (VADS) to the larger cash generating unit of TM One business cluster as disclosed in note 46 to the audited financial statements, which comprise of business units within Telekom Malaysia Berhad serving the Public Sector and Enterprise customer segments together with VADS and its subsidiaries as well as Vads Lyfe Sdn Bhd, among others. The reallocation of goodwill to the other business units and entities within TM One is reflective of the latest realignment within TM One where the value creation activities originating from VADS currently benefit all entities within TM One. This includes VADS' offering of Information and Communications Technology (ICT) products and solutions development, dealership licences, customer base and contracts with customers.

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25. INTANGIBLE ASSETS (CONTINUED)

(a) Impairment test for goodwill (continued)

The Group's total goodwill at the end of the respective financial years can be summarised to the following cash-generating units, being the lowest level of group of assets for which there are separately identifiable cash flows by which each goodwill is monitored respectively:

	2022 RM	2021 RM
TM One Business Cluster	**308.4**	308.4
Others	**1.2**	1.2
	309.6	309.6

The amount of goodwill initially recognised is dependent upon the allocation of the purchase price to the fair value of identifiable assets acquired and the liabilities assumed. The determination of the fair value of the assets and liabilities is based, to a considerable extent, on management's judgement.

The recoverable amount of the cash-generating unit including goodwill and telecommunication spectrum is determined based on value-in-use calculation.

The discount rates applied to the cash flow forecasts are benchmarked against local peers at the date of the assessment of the cash-generating units. Pre-tax discount rates are derived by removing tax cash flows from the post-tax value-in-use, and by iteration, identify the pre-tax discount rate that makes the present value of the adjusted cash flows equal to the value-in-use calculated using the post-tax cash flows.

The following assumptions have been applied in the value-in-use calculation:

	TM One	
	2022	2021
Pre-tax discount rate	**13.9%**	11.9%
Terminal growth rate	**1.0%**	1.0%

Impact of possible change in key assumptions used

Changing the assumptions selected by management, in particular the discount rate assumption used in the discounted cash flow model could significantly affect the result of the impairment test and consequently the Group's results. The Group's review includes an impact assessment of changes in key assumptions. Based on the sensitivity analysis performed, management has concluded that no reasonably possible change in assumptions would cause the carrying amount of the cash-generating unit of TM One to exceed its recoverable amount.

(b) Reassessment of useful life of telecommunication spectrum and review of impairment

The Group continues to assess the useful life of the spectrum assets, factoring any changes in policies affecting 5G and usage of spectrum in servicing the Group's mobile customers.

The impairment test on the Group's telecommunication spectrum allocated to TM Tech was performed concurrently with the impairment test exercise carried out for its mobile network assets, as disclosed in note 23(b)(i) to the audited financial statements. In the previous financial year, the recoverable value which was based on the value-in-use derived from that same exercise, was lower than the combined carrying value of the telecommunication spectrum, mobile network and right-of-use assets as at 31 December 2021. As a result, impairment loss has been recognised proportionately to all three categories with RM20.3 million impairment loss allocated to the Group's telecommunication spectrum during the previous financial year.

Based on a similar impairment test performed as at 31 December 2022, no further impairment loss were recognised as recoverable value of the Group's mobile business exceeded the carrying value of mobile network property, plant and equipment, telecommunication spectrum as well as right-of-use assets.

26. RIGHT-OF-USE ASSETS

The Group	Telecom-munications Network RM	Movable Plant and Equipment RM	Computer Support Systems RM	Land RM	Buildings RM	Total RM
Net Book Value						
As at 1 January 2022	**410.7**	**64.2**	**-**	**268.9**	**464.4**	**1,208.2**
Additions	**158.7**	**24.4**	**-**	**0.6**	**155.2**	**338.9**
Modification	**(2.1)**	**(4.2)**	**-**	**0.2**	**(30.3)**	**(36.4)**
Termination	**5.1**	**(0.2)**	**-**	**-**	**(6.9)**	**(2.0)**
Depreciation (note 6(a) and sub-note (a))	**(89.2)**	**(20.6)**	**-**	**(11.2)**	**(234.5)**	**(355.5)**
Reversal of impairment (note 6(a))	**-**	**-**	**-**	**-**	**0.5**	**0.5**
At 31 December 2022	**483.2**	**63.6**	**-**	**258.5**	**348.4**	**1,153.7**
At 31 December 2022						
Cost	**819.1**	**120.2**	**-**	**302.9**	**1,691.9**	**2,934.1**
Accumulated depreciation	**(335.9)**	**(56.6)**	**-**	**(44.4)**	**(649.7)**	**(1,086.6)**
Accumulated impairment	**-**	**-**	**-**	**-**	**(693.8)**	**(693.8)**
Net Book Value	**483.2**	**63.6**	**-**	**258.5**	**348.4**	**1,153.7**
Net Book Value						
As at 1 January 2021	374.6	18.2	1.1	270.7	556.6	1,221.2
Additions	53.8	53.9	-	2.9	269.2	379.8
Modification	64.3	8.6	-	8.3	(70.8)	10.4
Termination	(0.1)	(0.2)	-	-	(14.7)	(15.0)
Depreciation (note 6(a) and sub-note (a))	(81.9)	(16.3)	(1.1)	(12.5)	(223.7)	(335.5)
Impairment (note 6(a) and sub-note (b))	-	-	-	(0.5)	(52.2)	(52.7)
At 31 December 2021	410.7	64.2	-	268.9	464.4	1,208.2
At 31 December 2021						
Cost	694.2	102.2	0.1	304.2	1,665.3	2,766.0
Accumulated depreciation	(283.5)	(38.0)	(0.1)	(34.8)	(470.0)	(826.4)
Accumulated impairment	-	-	-	(0.5)	(730.9)	(731.4)
Net Book Value	410.7	64.2	-	268.9	464.4	1,208.2

(a) The following amounts relating to leases are disclosed in the Income Statement:

	2022 RM	2021 RM
Depreciation of right-of-use assets (note 6(a))	**355.5**	335.5
Interest expense on lease liabilities (note 9)	**108.6**	117.4
Expenses relating to short-term leases (note 6(b))	**38.7**	38.8
Expenses relating to lease of low-value assets that are not shown above as short term leases (note 6(b))	**2.4**	5.8

(b) Impairment loss

Following the disclosures under note 3(d) to the audited financial statements, the Group's mobile right-of-use assets were jointly reviewed for impairment under MFRS 136 "Impairment of Assets" in the same exercise carried out for property, plant and equipment and telecommunication spectrum, applying the assumptions stated in note 23(b) to the audited financial statements, where relevant. No impairment was recognised in the current financial year ended arising from this review (2021: RM52.7 million impairment loss recognised).

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26. RIGHT-OF-USE ASSETS (CONTINUED)

The Company	Telecom-munications Network RM	Movable Plant and Equipment RM	Land RM	Buildings RM	Total RM
Net Book Value					
As at 1 January 2022	**247.1**	**17.5**	**261.9**	**155.3**	**681.8**
Additions	**169.1**	**21.5**	**0.6**	**33.3**	**224.5**
Modification	**10.2**	**0.1**	**0.2**	**(2.1)**	**8.4**
Termination	**(8.1)**	**(2.1)**	**-**	**(5.1)**	**(15.3)**
Depreciation (note 6(a) and sub-note (a))	**(73.6)**	**(13.7)**	**(11.1)**	**(111.0)**	**(209.4)**
At 31 December 2022	**344.7**	**23.3**	**251.6**	**70.4**	**690.0**
At 31 December 2022					
Cost	**598.2**	**47.3**	**294.5**	**472.7**	**1,412.7**
Accumulated depreciation	**(253.5)**	**(24.0)**	**(42.9)**	**(402.3)**	**(722.7)**
Net Book Value	**344.7**	**23.3**	**251.6**	**70.4**	**690.0**
Net Book Value					
As at 1 January 2021	256.7	6.6	272.1	318.5	853.9
Additions	48.1	18.1	0.8	5.2	72.2
Modification	0.3	0.5	#	(54.6)	(53.8)
Termination	(0.1)	(1.3)	-	(0.1)	(1.5)
Depreciation (note 6(a) and sub-note (a))	(57.9)	(6.4)	(11.0)	(113.7)	(189.0)
At 31 December 2021	247.1	17.5	261.9	155.3	681.8
At 31 December 2021					
Cost	465.9	31.5	293.8	464.2	1,255.4
Accumulated depreciation	(218.8)	(14.0)	(31.9)	(308.9)	(573.6)
Net Book Value	247.1	17.5	261.9	155.3	681.8

Amount less than RM0.1 million

(a) The following amounts relating to leases are disclosed in the Income Statement:

	2022 RM	2021 RM
Depreciation of right-of-use assets (note 6(a))	**209.4**	189.0
Interest expense on lease liabilities (note 9)	**48.4**	50.7
Expenses relating to short-term leases (note 6(b))	**23.2**	20.1
Expenses relating to lease of low-value assets that are not shown above as short term leases (note 6(b))	**2.7**	8.8

27. SUBSIDIARIES

The Company	2022 Malaysia RM	2022 Overseas RM	2022 Total RM	2021 Malaysia RM	2021 Overseas RM	2021 Total RM
Unquoted investments, at cost	**4,084.7**	**22.0**	**4,106.7**	1,713.0	22.0	1,735.0
Accumulated impairment	**(1,869.5)**	**-**	**(1,869.5)**	(420.7)	-	(420.7)
	2,215.2	**22.0**	**2,237.2**	1,292.3	22.0	1,314.3
Equity contributions						
- Options granted to employees of subsidiaries	**20.7**	**-**	**20.7**	24.3	-	24.3
- LTIP granted to employees of subsidiaries	**39.4**	**-**	**39.4**	38.9	-	38.9
NET INVESTMENTS IN SUBSIDIARIES*	**2,275.3**	**22.0**	**2,297.3**	1,355.5	22.0	1,377.5

* Includes investments in unquoted subsidiaries that have been written down to recoverable amount of RM1.00 each.

Provisions for impairment of investment in subsidiaries

	The Company 2022 RM	The Company 2021 RM
At 1 January	**420.7**	420.3
Impairment recognised for investment in subsidiaries	**6.4**	0.4
Impairment of investment in a subsidiary arising from the subsidiary's recapitalisation exercise (note 53 (b)(iv))	**1,456.6**	-
Disposal of a subsidiary	**(14.2)**	-
At 31 December	**1,869.5**	420.7

The Group's effective equity interest in the subsidiaries, their respective principal activities and countries of incorporation are listed in note 53 to the audited financial statements. Other than Yayasan Telekom Malaysia, which is 100% consolidated in the Group's financial results, the proportion of the Group's voting rights in the subsidiaries held by the Group do not differ from the proportion of ordinary shares held or the Group's effective equity interests in the subsidiaries. The Group has de facto control over Yayasan Telekom Malaysia due to a combination of facts including source of funding and right to appoint the Board of Trustees.

There are no significant restrictions on the ability of the subsidiaries to transfer funds in the form of dividends and other capital distributions or for loans or advances being made or repaid, to (or from) the Group.

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27. SUBSIDIARIES (CONTINUED)

Set out below are the summarised financial information for each subsidiary which has non-controlling interests that are material to the Group, before any inter-company eliminations:

	TM Technology Services Sdn Bhd		Fiberail Sdn Bhd		Fibrecomm Network (M) Sdn Bhd	
	2022^ RM	2021 RM	2022 RM	2021 RM	2022 RM	2021 RM
Summarised Income Statement						
Revenue	**587.4**	608.2	**160.7**	156.1	**122.6**	115.6
(Loss)/Profit before income tax	**(126.6)**	(321.4)	**16.2**	14.2	**17.3**	17.8
Income tax expense	**-**	-	**(2.1)**	(6.1)	**(4.6)**	(4.5)
(Loss)/Profit after tax and total comprehensive income	**(126.6)**	(321.4)	**14.1**	8.1	**12.7**	13.3
Total comprehensive (loss)/ income attributed to non-controlling interests	**(11.1)**	(26.4)	**6.5**	3.7	**6.2**	6.5
Dividends paid to non-controlling interests	**-**	-	**4.8**	4.1	**2.9**	3.9
Summarised Statement of Financial Position						
Current assets	**585.9**	87.2	**202.2**	147.6	**79.5**	71.2
Current liabilities	**(419.8)**	(1,530.1)	**(158.1)**	(79.5)	**(46.5)**	(49.3)
Total net current assets/ (liabilities)	**166.1**	(1,442.9)	**44.1**	68.1	**33.0**	21.9
Non-current assets	**698.9**	700.4	**303.8**	307.4	**113.9**	123.4
Non-current liabilities	**(757.9)**	(3,321.4)	**(127.7)**	(161.0)	**(36.0)**	(38.4)
Total net non-current (liabilities)/assets	**(59.0)**	(2,621.0)	**176.1**	146.4	**77.9**	85.0
Net assets/(liabilities)	**107.1**	(4,063.9)	**220.2**	214.5	**110.9**	106.9
Cumulative non-controlling interests	**-^**	(333.2)	**101.3**	98.7	**54.3**	52.4
Summarised Statement of Cash Flows						
Cash generated from operations	**316.8**	308.4	**66.3**	72.7	**22.0**	27.9
Interest paid	**(39.5)**	(60.3)	**(6.1)**	(6.8)	**(0.1)**	(0.2)
Income tax paid	**-**	-	**(7.4)**	(5.0)	**(1.2)**	(5.5)
Cash flows from operating activities	**277.3**	248.1	**52.8**	60.9	**20.7**	22.2
Cash flows used in investing activities	**(32.3)**	(84.4)	**(19.9)**	(11.6)	**(9.1)**	(8.1)
Cash flows used in financing activities	**(245.2)**	(168.2)	**(24.5)**	(27.9)	**(13.1)**	(14.8)
Net (decrease)/increase in cash and cash equivalents	**(0.2)**	(4.5)	**8.4**	21.4	**(1.5)**	(0.7)
Effect of exchange rate changes	**-**	-	**-**	-	**-**	(0.3)
Cash and cash equivalents at beginning of the financial year	**1.5**	6.0	**95.6**	74.2	**22.5**	23.5
Cash and cash equivalents at end of the financial year	**1.3**	1.5	**104.0**	95.6	**21.0**	22.5

^ As disclosed in note 53(b) to the audited financial statements, the Group and the Company acquired the remaining 8.2% shareholding of TM Technology Services Sdn Bhd from the non-controlling interest on 15 November 2022.

28. LOANS AND ADVANCES TO SUBSIDIARIES

	The Company	
	2022 RM	**2021 RM**
Loans and advances to subsidiaries	**55.0**	2,870.3
Accumulated impairment	**(14.5)**	(2,488.2)
Loans and advances to subsidiaries (net)	**40.5**	382.1
Current portion	**5.0**	-
Non-current portion	**35.5**	382.1
Loans and advances to subsidiaries	**40.5**	382.1

Loans and advances to subsidiaries represent shareholder loans and advances for working capital purposes. These loans and advances are unsecured and bear interest ranging from 3.96% to 6.88% (2021: 2.34% to 5.68%) and will mature between 1 to 8 years (2021: 2 to 9 years). Movements in the balances during the year are disclosed in note 44(c) to the audited financial statements.

29. ASSOCIATE

The Group	2022 RM	2021 RM
Share of net assets of an associate		
Unquoted investments	**94.3**	89.9
TOTAL	**94.3**	89.9
The Group's share of profit of an associate	**11.2**	12.0
The Group's share of assets and liabilities of an associate is as follows:		
Non-current assets	**76.2**	82.5
Current assets	**23.2**	11.8
Non-current liabilities	**(1.5)**	(1.8)
Current liabilities	**(3.6)**	(2.6)
Net assets	**94.3**	89.9

The Group's associate is not material to the financial position, financial performance and cash flows of the Group.

The Group's effective equity interest in the associate, which is unquoted, its principal activities and country of incorporation are listed in note 54 to the audited financial statements.

There are no contingent liabilities relating to the Group's interest in the associate and there are no significant restrictions on the ability of the associate to transfer funds in the form of dividend to the Group.

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30(a). EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

Equity investments at FVOCI comprise of individual unquoted equity investments.

The Group and the Company	2022 RM	2021 RM
At 1 January	**141.6**	133.5
Fair value changes transferred to other comprehensive income	**7.5**	8.1
At 31 December	**149.1**	141.6

The equity investments are represented primarily by the Group's and the Company's investments in Asean Cableship Pte Ltd and Labuan Reinsurance (L) Ltd. The dividends received by the Group and the Company during the financial year amounted to RM3.4 million (2021: RM12.9 million).

At initial recognition, the Group and the Company have irrevocably elected to present fair value changes of non-trading equity investments above in OCI. The Group and the Company consider this classification to be more relevant as these instruments are strategic investments of the Group and the Company and not held for trading purpose.

30(b). INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

Investments in listed and unlisted bonds are classified as FVOCI, as the Group's and the Company's business model is achieved by collecting contractual cash flows and selling of these assets. The contractual cash flows of these investments are solely payment of principal and interest.

The Group and the Company	2022 RM	2021 RM
At 1 January	**82.3**	157.9
Additions	**18.3**	46.2
Fair value changes transferred to other comprehensive income	**(3.9)**	(7.4)
Disposals	**(30.3)**	(113.6)
Accretion of finance income (net)	**0.1**	0.4
Impairment	**-**	(1.2)
At 31 December	**66.5**	82.3

The credit quality of investments in listed and unlisted bonds is as follows:

The Group and the Company	2022 RM	2021 RM
AAA	**25.5**	28.8
AA	**32.6**	35.3
A	**7.0**	6.5
BBB/BB	**1.4**	4.7
C/C3	**-**	4.4
Malaysian Government Securities	**-**	2.6
	66.5	82.3

Provision for impairment of investments at FVOCI

	The Group and the Company	
	2022 RM	2021 RM
At 1 January	**1.2**	-
Impairment recognised for other non-current receivables	**-**	1.2
At 31 December (note 4(a))	**1.2**	1.2

30(c). INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

Investment in a technology investment fund, fixed income unit trust fund and certain investments in a rated Corporate Social Responsibility (CSR) sukuk are classified as financial assets at FVTPL. The investments do not meet the MFRS 9 criteria for classification at amortised cost, because their cash flows do not represent solely payments of principal and interest.

The Group and the Company	2022 RM	2021 RM
At 1 January	**318.5**	311.5
Additional investment	**15.1**	23.5
Fair value changes through profit or loss (net)	**(8.4)**	(17.5)
Disposals	**(161.5)**	(0.8)
Management fees	**(1.1)**	(6.5)
Foreign exchange difference	**4.1**	8.3
At 31 December	**166.7**	318.5
Current portion	**2.1**	12.5
Non-current portion	**164.6**	306.0
TOTAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)	**166.7**	318.5

During the financial year, there were disposals of fixed income unit trust fund amounted to RM151.8 million (2021: RM0.8 million), Sukuk Ihsan amounted to RM4.7 million (2021: nil) and Sukuk Prihatin amounted to RM5.0 million (2021: nil). Additional investments made to the technology investment fund amounted to RM13.9 million (2021: RM6.6 million) and fixed income unit trust fund amounted to RM1.2 million (2021: RM16.9 million).

31. RECEIVABLES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

The Group and the Company	2022 RM	2021 RM
At 1 January	**297.9**	296.6
Additions (including interest)	**36.9**	42.6
Repayments (net of conversion)	**(42.7)**	(36.3)
Disposal (note 32(i)(a))	**(171.2)**	-
Amortisation of prepayment	**30.7**	(1.7)
Impairment reclassification to other non-current receivables	**2.1**	-
Write-off of impairment	**0.4**	-
Fair value changes transferred to other comprehensive income	**1.3**	(3.3)
TOTAL RECEIVABLES AT FVOCI (net)	**155.4**	297.9
Current portion	**8.4**	15.9
Non-current portion	**147.0**	282.0
TOTAL RECEIVABLES AT FVOCI (net)	**155.4**	297.9

Receivables at FVOCI comprises housing loans extended to employees. These loans are disposed to a third party when certain pre-determined conditions are met. Details of the housing loans to employees are as disclosed in note 32(i) to the audited financial statements.

Provision for impairment of receivables at FVOCI

The Group and the Company	2022 RM	2021 RM
At 1 January	**13.5**	13.5
Impairment reclassification to other non-current receivables	**(2.1)**	-
	11.4	13.5
Write-off	**(0.4)**	-
At 31 December (note 4(a))	**11.0**	13.5

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32. OTHER NON-CURRENT RECEIVABLES

	The Group		The Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Staff loans at amortised cost				
- under Islamic principles	**17.3**	20.9	**17.2**	20.8
- under conventional principles	**#**	-	**#**	-
Total staff loans (sub-note (i))	**17.3**	20.9	**17.2**	20.8
Other non-current receivables				
- other deposits (sub-note (ii))	**235.8**	274.3	**235.8**	274.3
- others (sub-note (iii))	**298.6**	91.8	**-**	-
	551.7	387.0	**253.0**	295.1
Prepaid employee benefits	**27.9**	59.6	**27.9**	59.6
	579.6	446.6	**280.9**	354.7
Staff loans receivable within twelve months included under other receivables (note 35)	**(5.3)**	(5.5)	**(5.3)**	(5.5)
TOTAL OTHER NON-CURRENT RECEIVABLES	**574.3**	441.1	**275.6**	349.2

\# Amount less than RM0.1 million

Provision for impairment of receivables at FVOCI

	The Group		The Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
At 1 January	**-**	-	**-**	-
Impairment reclassification from impairment of receivables at FVOCI	**2.1**	-	**2.1**	-
	2.1	-	**2.1**	-
Impairment recognised for other non-current receivables	**-**	-	**-**	-
At 31 December (note 4(a))	**2.1**	-	**2.1**	-

(i) Staff loans comprise housing, vehicle, computer and club membership loans offered to employees with contractual financing cost of 4.0% per annum on a reducing balance basis except for club membership loans which are free of financing cost. Housing loans are classified as receivables at FVOCI as disclosed in note 31 to the audited financial statements whilst the remaining staff loans are classified as receivables at amortised cost under note 32. There is no single significant credit risk exposure as the amount is mainly receivable from individuals. Staff loans inclusive of financing cost, are repayable in equal monthly instalments as follows:

- Housing loans – maximum tenure is up to employee retirement age (at 60 years of age)
- Vehicle loans – maximum of 9 years for new cars and 7 years for second hand cars
- Computer loans – 3 years

Credit risk arising from staff loans is mitigated by the enforcement of salary deductions as a mode of repayment. In addition, collateral is obtained for the following:

- Housing loans – registered land charges and assignments over the properties financed
- Vehicle loans – ownership claims over the vehicles financed

(a) During the current financial year, the Company disposed RM171.2 million of its employees housing loans for a total cash consideration of RM167.8 million pursuant to the Sale and Purchase (S&P) Agreement entered on 27 May 2009 with AmMortgage One Berhad (AmMortgage One), a wholly-owned subsidiary of AmBank (M) Berhad (AmBank). There were no disposal of employees housing loan in the previous year. In tandem with the S&P Agreement, a Servicing Agreement between the Company, AmMortgage One and AmBank was also executed. The arrangement reflects the outsourcing of the Company's mortgage servicing operations to AmBank.

(ii) The Company entered into two deposit agreements with financial institutions in 2011 with maturity on 1 August 2025, under which the Company will deposit RM4.1 million and RM4.2 million respectively every six months until the deposits' maturity date. On maturity, the Company will be entitled for deposits repayments of RM154.0 million and RM156.5 million respectively. The deposits are collateralised by Malaysian Government Bonds.

The deposits effectively build up a sinking fund with an assured value of RM154.0 million and RM156.5 million respectively on 1 August 2025 for the repayment of the Company's Debentures.

(iii) The Group's prepayments include the RM214.1 million spectrum assignment (SA) fees paid for 850 MHz and 2,300 MHz spectrum assigned to the Group for a period of 5 years commencing 1 January 2023.

33. INVENTORIES

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Telecommunications equipment	**156.0**	93.6	**155.6**	93.1
Capacity held for resale	**104.4**	38.9	**104.4**	38.9
Land held for sale	**39.9**	39.9	**-**	-
Others	**5.1**	4.5	**5.7**	5.9
TOTAL INVENTORIES	**305.4**	176.9	**265.7**	137.9

34. CONTRACT COST ASSETS

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
At 1 January	**379.2**	285.6	**355.4**	221.9
Additions	**435.5**	504.6	**402.5**	504.9
Amortised to the Income Statement	**(394.0)**	(411.0)	**(382.7)**	(371.4)
At 31 December	**420.7**	379.2	**375.2**	355.4

35. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Receivables from external customers	**1,416.9**	1,645.9	**1,174.6**	1,230.6
Receivables from subsidiaries	**-**	-	**138.2**	592.9
Receivables from associate	**-**	0.7	**-**	0.7
	1,416.9	1,646.6	**1,312.8**	1,824.2
Impairment				
- external customers	**(506.2)**	(821.0)	**(453.3)**	(490.9)
- subsidiaries	**-**	-	**(25.2)**	(480.1)
	910.7	825.6	**834.3**	853.2
Accrued earnings & grant recoverable*	**709.4**	664.4	**632.8**	595.8
Total trade receivables (net)	**1,620.1**	1,490.0	**1,467.1**	1,449.0
Prepayments	**284.2**	249.1	**445.8**	170.7
Tax recoverable	**76.4**	74.3	**0.6**	0.5
Staff loans (note 32)	**5.3**	5.5	**5.3**	5.5
Other receivables from subsidiaries	**-**	-	**143.9**	763.5
Other receivables	**463.7**	373.0	**443.0**	359.5
Impairment of other receivables				
- external parties	**(137.4)**	(141.1)	**(128.3)**	(126.8)
- subsidiaries	**-**	-	**(79.3)**	(692.7)
Total other receivables (net)	**692.2**	560.8	**831.0**	480.2
TOTAL TRADE AND OTHER RECEIVABLES (net)	**2,312.3**	2,050.8	**2,298.1**	1,929.2

* Included in accrued earnings & grant recoverable are unbilled amounts for leasing contracts as well as grant from the Government or other relevant local or federal authorities for services rendered in the ordinary course of business.

\# Amount less than RM0.1 million.

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35. TRADE AND OTHER RECEIVABLES (CONTINUED)

Certain amounts of trade receivables have been subjected to offsetting with trade payables where these balances are from transactions transacted with the same counterparty and are settled on net basis, summarised as follows:

	2022			2021		
	Gross amount of trade receivables RM	Gross amount of trade payables and accruals set off against trade receivables (note 38) RM	Net amount of trade receivables RM	Gross amount of trade receivables RM	Gross amount of trade payables and accruals set off against trade receivables (note 38) RM	Net amount of trade receivables RM
The Group	**1,805.9**	**(185.8)**	**1,620.1**	1,670.9	(180.9)	1,490.0
The Company	**1,652.9**	**(185.8)**	**1,467.1**	1,629.9	(180.9)	1,449.0

For trade receivables and trade payables subject to netting arrangements above, each agreement between the Group and the counterparties is carried out on net settlement basis, including events of default.

Movement and balance analysis of loss allowance is disclosed under note 4(a)(ii) to the audited financial statements.

The Group and the Company are not exposed to major concentrations of credit risk due to the diversed customer base. The analysis of trade receivables by lines of business is considered the most appropriate disclosure of credit concentration. In addition, credit risk is mitigated to a certain extent by cash deposits (note 39 to the audited financial statements) and bankers' guarantee obtained from customers amounting to RM32.1 million (2021: RM28.4 million). The Group and the Company consider the impairment at the reporting date to be adequate to cover the potential financial loss.

Credit terms of trade receivables range from 30 to 90 days (2021: 30 to 90 days).

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above.

The Group's and the Company's recovery of trade and other receivables written off for financial year ended were RM8.7 million (2021: RM10.9 million) and RM7.0 million (2021: RM6.3 million) respectively.

36. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

The Group and the Company	2022 RM	2021 RM
Equity securities quoted on the Bursa Malaysia Securities Berhad	**2.2**	2.2
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**2.2**	2.2

37. CASH AND BANK BALANCES

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Deposits with licensed banks	**784.2**	1,100.3	**781.9**	1,099.7
Deposits under Islamic principles	**983.8**	1,012.5	**922.1**	945.7
Total deposits	**1,768.0**	2,112.8	**1,704.0**	2,045.4
Cash and bank balances	**714.2**	498.7	**384.1**	216.6
Cash and bank balances under Islamic principles	**97.2**	122.3	**38.6**	35.4
TOTAL CASH AND BANK BALANCES	**2,579.4**	2,733.8	**2,126.7**	2,297.4
Less:				
Money held in trust (sub-note (a))/Deposits pledged	**(234.3)**	(180.6)	**(233.2)**	(179.9)
Deposit with maturity exceeding 3 months	**(0.8)**	(673.2)	**(0.8)**	(673.2)
TOTAL CASH AND CASH EQUIVALENTS	**2,344.3**	1,880.0	**1,892.7**	1,444.3

(a) Money held in trust amounting to USD52.7 million (RM233.2 million) (2021: USD43.0 million (RM179.9 million)) comprise of bank balances of consortiums of international telecommunication companies investing jointly in international submarine cables. It is held in trust by the Company as its function as the appointed central billing party to the consortiums.

The deposits are placed mainly with a number of creditworthy financial institutions. There is no major concentration of deposits in any single financial institution. The credit quality of the financial institutions in which cash and deposits are placed is as follows:

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
AAA	**774.8**	600.9	**585.4**	421.0
AA	**850.7**	1,365.4	**763.4**	1,254.0
A	**551.2**	457.5	**436.0**	315.4
NR (sub-note (b))	**402.7**	310.0	**341.9**	307.0
	2,579.4	2,733.8	**2,126.7**	2,297.4

(b) Mainly comprise deposits with other financial institutions with sovereign equivalent rating.

Deposits have maturities ranging from overnight to 90 days (2021: from overnight to 145 days) for the Group and the Company. Bank balances are deposits held at call with banks.

The weighted average interest rate of deposits as at 31 December 2022 was 4.40% (2021: 1.57%) and 4.55% (2021: 1.55%) for the Group and the Company respectively.

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38. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Trade payables and accruals	**2,182.4**	2,110.1	**1,711.0**	1,702.2
Liabilities undertaken in relation to government grant (note 45(c))	**-**	200.0	**-**	200.0
Payable for Universal Service Provision	**146.0**	134.4	**143.1**	131.5
Money held in trust (note 37(a))	**233.2**	179.9	**233.2**	179.9
Deferred revenue	**62.4**	25.0	**12.8**	12.1
Deposits and trust monies	**88.1**	93.4	**69.7**	72.1
Finance cost payable	**76.3**	77.0	**76.3**	77.0
Provision for dismantling cost	**49.4**	85.1	**26.3**	56.1
Duties and other taxes payable	**69.8**	73.9	**62.7**	67.2
Provision for voluntary separation programmes (sub-note (b))	**42.6**	42.2	**36.4**	34.8
Payables to subsidiaries (sub-note (a))	**-**	-	**1,793.4**	989.8
Other payables and accruals	**792.4**	637.0	**562.7**	464.6
	3,742.6	3,658.0	**4,727.6**	3,987.3
Current portion	**3,718.0**	3,633.7	**4,727.6**	3,987.3
Non-current portion	**24.6**	24.3	**-**	-
TOTAL TRADE AND OTHER PAYABLES	**3,742.6**	3,658.0	**4,727.6**	3,987.3

(a) Include excess funds of subsidiaries managed and invested by the Company, which are interest bearing as disclosed in note 44(b) to the audited financial statements.

(b) Provision for voluntary separation programmes for eligible employees

Between 2021 and 2022, the Group and the Company continued to announce a series of offering of voluntary separation programmes. Eligible employees who accepted the voluntary separation offers were compensated through special incentives and designated benefits over a period of 12 months.

The overall expected financial impact of this scheme which involves compensation payment made in tranches by stages within 12 months of the financial year end during which the acceptance was made, had been recognised in the financial statements based on the number of employees who have accepted the offer at the end of the financial year.

Certain amount of trade payables and accruals have been subjected to offsetting with trade receivables where these balances are from transactions transacted with the same counterparties and are settled on net basis, summarised as follows:

	2022			2021		
	Gross amount of trade payables and accruals RM	Gross amount of trade receivables set off against trade payables and accruals (note 35) RM	Net amount of trade payables and accruals RM	Gross amount of trade payables and accruals RM	Gross amount of trade receivables set off against trade payables and accruals (note 35) RM	Net amount of trade payables and accruals RM
The Group	**2,368.2**	**(185.8)**	**2,182.4**	2,291.0	(180.9)	2,110.1
The Company	**1,896.8**	**(185.8)**	**1,711.0**	1,883.1	(180.9)	1,702.2

Credit terms of trade and other payables excluding accruals vary from 30 to 90 days (2021: 30 to 90 days) depending on the terms of the contracts.

39. CUSTOMER DEPOSITS

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Telephone services	**171.4**	217.4	**171.3**	217.4
Data services	**11.2**	4.0	**9.4**	4.0
TOTAL CUSTOMER DEPOSITS	**182.6**	221.4	**180.7**	221.4

40. CASH FLOWS FROM OPERATING ACTIVITIES

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Receipts from customers	**11,428.3**	10,680.5	**10,433.1**	9,233.2
Payments to suppliers and employees	**(7,391.4)**	(6,941.9)	**(6,986.8)**	(6,093.1)
Payments to suppliers for short term lease and leases of low value assets	**(41.1)**	(44.6)	**(25.9)**	(28.9)
Payments of finance cost	**(277.7)**	(375.9)	**(274.6)**	(371.7)
Payments of income taxes and zakat (net)	**(452.3)**	(342.5)	**(375.8)**	(274.5)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	**3,265.8**	2,975.6	**2,770.0**	2,465.0

41. CASH FLOWS USED IN INVESTING ACTIVITIES

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Investment in subsidiaries	**-**	-	**(336.2)**	-
Contribution for purchase of property, plant and equipment	**248.7**	125.9	**248.7**	125.9
Disposal of property, plant and equipment	**19.6**	14.6	**12.7**	6.9
Purchase of property, plant and equipment and intangible assets	**(2,663.8)**	(1,903.7)	**(2,499.2)**	(1,776.8)
Disposal/Maturity of current investments at fair value through other comprehensive income	**30.3**	113.6	**30.3**	113.6
Purchase of current investments at fair value through other comprehensive income	**(18.3)**	(46.2)	**(18.3)**	(46.2)
Purchase of investments at FVTPL	**(15.1)**	(23.5)	**(15.1)**	(23.5)
Disposal of investments at FVTPL	**161.5**	0.8	**161.5**	0.8
Long term deposits	**(16.6)**	(16.6)	**(16.6)**	(16.6)
Deposits with maturity exceeding 3 months	**672.5**	(673.2)	**672.5**	(673.2)
Repayments from subsidiaries - loans and advances	**-**	-	**8.7**	17.2
- other receivables	**-**	-	**69.0**	190.8
Advances to subsidiaries	**-**	-	**(323.8)**	(248.6)
Repayments to subsidiaries for Inter-Company Fund Optimisation (ICFO)	**-**	-	**(2,593.8)**	(2,826.1)
Receipts from subsidiaries for ICFO	**-**	-	**3,177.2**	2,970.6
Repayments of loans by employees	**50.4**	43.9	**50.4**	43.9
Loans to employees	**(29.4)**	(32.5)	**(29.4)**	(32.5)
Disposal of housing loan	**167.8**	-	**167.8**	-
Interests received	**54.1**	63.8	**35.0**	47.4
Dividends received	**3.4**	12.9	**42.4**	96.7
TOTAL CASH FLOWS USED IN INVESTING ACTIVITIES	**(1,334.9)**	(2,320.2)	**(1,156.2)**	(2,029.7)

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42. CASH FLOWS USED IN FINANCING ACTIVITIES

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Proceeds from borrowings	**80.0**	90.0	**-**	-
Repayments of borrowings	**(651.1)**	(2,043.0)	**(546.2)**	(2,022.7)
Repayments of lease liabilities	**(499.9)**	(437.9)	**(232.3)**	(213.8)
Dividend paid to shareholders	**(386.9)***	(547.2)	**(386.9)**	(547.2)
Dividend paid to non-controlling interests	**(7.7)**	(8.0)	**-**	-
TOTAL CASH FLOWS USED IN FINANCING ACTIVITIES	**(1,465.6)**	(2,946.1)	**(1,165.4)**	(2,783.7)

* RM340.9 million gross interim dividend in respect of financial year 2022 (note 12 to the audited financial statements) less RM180.4 million dividend elected by shareholders for reinvestment into new TM shares under the DRS as disclosed in note 13(b) to the audited financial statements.

Changes in liabilities arising from financing activities:

The Group	At 1 January 2022 RM	Cash Flow RM	Non-cash changes: Interest Accretion RM	Non-cash changes: Foreign Exchange Movement RM	Non-cash changes: New Leases RM	Non-cash changes: Others RM	At 31 December 2022 RM
Borrowings	**(5,720.0)**	**571.1**	**(2.6)**	**(117.8)**	**-**	**-**	**(5,269.3)**
Lease liabilities	**(1,883.7)**	**499.9**	**(108.6)**	**-**	**(332.6)**	**50.5**	**(1,774.5)**
	(7,603.7)	**1,071.0**	**(111.2)**	**(117.8)**	**(332.6)**	**50.5**	**(7,043.8)**

The Company	At 1 January 2022 RM	Cash Flow RM	Non-cash changes: Interest Accretion RM	Non-cash changes: Foreign Exchange Movement RM	Non-cash changes: New Leases RM	Non-cash changes: Others RM	At 31 December 2022 RM
Borrowings	**(4,919.9)**	**322.7**	**(2.4)**	**(72.9)**	**-**	**-**	**(4,672.5)**
Lease liabilities	**(708.7)**	**232.3**	**(48.4)**	**-**	**(211.2)**	**6.7**	**(729.3)**
Payable to a subsidiary	**(730.7)**	**223.5**	**(0.1)**	**(44.9)**	**-**	**-**	**(552.2)**
	(6,359.3)	**778.5**	**(50.9)**	**(117.8)**	**(211.2)**	**6.7**	**(5,954.0)**

The Group	At 1 January 2021 RM	Cash Flow RM	Non-cash changes: Interest Accretion RM	Non-cash changes: Foreign Exchange Movement RM	Non-cash changes: New Leases RM	Non-cash changes: Others RM	At 31 December 2021 RM
Borrowings	(7,626.8)	1,953.0	(5.2)	(62.4)	-	21.4	(5,720.0)
Lease liabilities	(1,907.6)	437.9	(117.4)	-	(283.6)	(13.0)	(1,883.7)
	(9,534.4)	2,390.9	(122.6)	(62.4)	(283.6)	8.4	(7,603.7)

42. CASH FLOWS USED IN FINANCING ACTIVITIES (CONTINUED)

Changes in liabilities arising from financing activities: (continued)

			Non-cash changes				
The Company	At 1 January 2021 RM	Cash Flow RM	Interest Accretion RM	Foreign Exchange Movement RM	New Leases RM	Others RM	At 31 December 2021 RM
Borrowings	(6,897.5)	2,022.7	(4.8)	(39.5)	-	(0.8)	(4,919.9)
Lease liabilities	(906.7)	213.8	(50.7)	-	(27.9)	62.8	(708.7)
Payable to a subsidiary	(707.4)	-	(0.4)	(22.9)	-	-	(730.7)
	(8,511.6)	2,236.5	(55.9)	(62.4)	(27.9)	62.0	(6,359.3)

43. SIGNIFICANT NON-CASH TRANSACTIONS

Significant non-cash transactions during the financial year are as follows:

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
(a) Contra settlements with subsidiaries between trade and other receivables and trade and other payables	**-**	-	**843.8**	12.9
(b) Contra settlements with customers cum suppliers between trade receivables and trade payables	**349.8**	451.8	**310.1**	404.1

44. SIGNIFICANT RELATED PARTY DISCLOSURES

Set out below are the significant related party transactions and balances, in addition to related party transactions and balances mentioned elsewhere in the financial statements:

(a) Significant transactions with subsidiaries and associate

The Company has significant related party transactions with its subsidiaries and associate, as listed below:

BlueTel Networks Pte Ltd
Fiberail Sdn Bhd
Fibrecomm Network (M) Sdn Bhd
GITN Sdn Berhad
VADS Lyfe Sdn Bhd
Menara Kuala Lumpur Sdn Bhd
TM Technology Services Sdn Bhd
Telekom Applied Business Sdn Bhd
Telekom Malaysia (Australia) Pty Ltd
Telekom Malaysia (Hong Kong) Limited
Telekom Malaysia (S) Pte Ltd
Telekom Malaysia (UK) Limited
Telekom Malaysia (USA) Inc
Telekom Multi-Media Sdn Bhd
Telekom Research & Development Sdn Bhd
Telekom Sales and Services Sdn Bhd
TM Facilities Sdn Bhd
TMF Autolease Sdn Bhd
TM Global Incorporated
TM Info-Media Sdn Bhd
TM Net Sdn Bhd
Universiti Telekom Sdn Bhd
VADS Berhad
VADS Business Process Sdn Bhd

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44. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(a) Significant transactions with subsidiaries and associate (continued)

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
(i) Sales of goods and rendering of services to subsidiaries and associate:				
- telecommunications related services	**8.6**	8.2	**570.0**	594.2
- lease/rental and maintenance of buildings and vehicles	**-**	-	**61.8**	49.1
- other income*	**-**	-	**15.6**	31.8
(ii) Dividend and interest income from subsidiaries	**-**	-	**115.9**	146.2
(iii) Purchases of goods and services from subsidiaries and associate:				
- telecommunications related services	**82.0**	79.0	**904.0**	969.5
- lease/rental of buildings	**-**	-	**9.9**	10.2
- maintenance of vehicles and buildings	**-**	-	**44.5**	41.5
- other expenses	**-**	-	**116.4**	102.9
(iv) Finance cost paid/payable to subsidiaries				
- term loans	**-**	-	**19.4**	24.3
- Inter-Company Fund Optimisation (note 9)	**-**	-	**19.5**	11.8

* Includes management fees, royalties, charges for security and other shared services, training and related activities.

(b) Year end balances arising from:

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
(i) Sales/Purchases of goods/services				
- receivables from subsidiaries	**-**	-	**346.2**	1,356.4
- receivables from associate	**-**	0.7	**-**	0.7
- payables to subsidiaries	**-**	-	**565.4**	346.6
- payables to associate	**16.0**	15.1	**16.0**	15.1
(ii) Other payables				
- subsidiaries	**-**	-	**1,254.2**	651.3

The above receivables from/payables to related parties arise mainly from sale/purchase transactions with credit terms of 30 to 90 days. The receivables/payables are unsecured and interest free.

Other payables to subsidiaries mainly comprise excess funds of subsidiaries managed and invested by the Company under the fund optimisation arrangement. This amount is repayable on demand and the interest paid to subsidiaries during the financial year ranges from 1.96% to 3.88% (2021: 1.90% to 2.07%).

44. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(c) Loans and advances to subsidiaries

	The Company	
	2022 RM	2021 RM
At 1 January	**382.1**	732.1
Additional loans to subsidiaries	**5.7**	16.6
Repayments from subsidiaries (note 41)	**(8.7)**	(17.2)
Settlement of loan of a subsidiary*	**(350.0)**	-
Reversal/(Impairment) on loans and advances to subsidiaries	**11.4**	(350.0)
Interest charged (note 7)	**74.9**	61.9
Reclassified as other receivables	**(74.9)**	(61.3)
At 31 December (note 28)	**40.5**	382.1

* Settlement of loan of a subsidiary arising from a subsidiary's recapitalisation exercise as disclosed in note 53(b)(iii).

Provisions for impairment of loans and advances to subsidiaries

	The Company	
	2022 RM	2021 RM
At 1 January	**2,488.2**	2,138.2
(Reversal)/Impairment on loans and advances to subsidiaries	**(11.4)**	350.0
Reversal of impairment on loans and advances to a subsidiary arising from a subsidiary's recapitalisation exercise (notes 4(a)(ii)(b)(ii), 27, and 53(b)(iv))	**(650.0)**	-
Write-off	**(1,812.3)**	-
At 31 December (note 4(a))	**14.5**	2,488.2

(d) Key management personnel

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. Consistent with the previous financial year, key management personnel has been defined as the Directors (executive and non-executive) of the Company and heads or senior management officers who are members of the Management Committee for the Group and the Company respectively.

Whenever exist, related party transactions also include transactions with entities that are controlled, jointly controlled or significantly influenced directly or indirectly by any key management personnel or their close family members.

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Key management personnel compensation@				
- short term employee benefits				
- fees	**3.4**	3.4	**2.6**	2.8
- salaries, allowances and bonus	**23.2**	18.4	**23.2**	18.3
- contribution to Employees Provident Fund	**3.3**	2.4	**3.3**	2.4
- estimated money value of benefits	**1.7**	1.4	**1.7**	1.4

@ Includes the Directors' remuneration (whether executive or otherwise) as disclosed in note 6(b) to the audited financial statements.

In addition, certain key management personnel have family members who are officers of the Company or its subsidiaries with total remuneration amounting to RM0.3 million (2021: RM0.3 million).

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44. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(e) Government-related entities

Khazanah Nasional Berhad (Khazanah) is a major shareholder with 20.19% (2021: 20.11%) equity interest and is a related party of the Group and the Company. Khazanah is a wholly-owned entity of MOF Inc, which is in turn owned by the Ministry of Finance, a ministry of the Federal Government of Malaysia. Therefore, the Government of Malaysia and bodies controlled or jointly controlled by the Government of Malaysia are also related parties to the Group and the Company.

The individually significant transactions that the Group and the Company entered into with identified related parties and their corresponding balances for the provision of telecommunications related services as at the respective reporting dates are as follows:

	Total amount of individually significant transactions		Corresponding outstanding balances	
	2022 RM	2021 RM	2022 RM	2021 RM
The Group				
Sales and Receivables	**905.6**	775.0	**118.7**	104.3
The Company				
Sales and Receivables	**340.0**	215.8	**22.1**	5.8

The Group and the Company also have individually significant contracts with other Government-related entities where the Group and the Company were provided funding for projects of which the amortisation of grants to the Income Statement in the current financial year was RM332.9 million (2021: RM367.0 million) with corresponding receivables of RM118.7 million (2021: RM200.0 million).

In addition to the above, the Group and the Company also have transactions that are collectively, but not individually significant with other Government-related entities in respect of the provision of telecommunications related services as well as procurement of telecommunications and related equipment and services in the normal course of business.

45. CAPITAL AND OTHER COMMITMENTS

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
(a) Property, plant and equipment				
Commitments in respect of expenditures approved and contracted for	**2,479.4**	2,273.6	**2,014.9**	2,015.5

	The Group and the Company	
	2022 RM	2021 RM
(b) Investments at fair value through profit or loss (FVTPL)		
The Group's remaining capital commitment in a technology investment fund (disclosed as part of the Group's Non-Current Investment at FVTPL)	**20.4**	33.1

45. CAPITAL AND OTHER COMMITMENTS (CONTINUED)

(c) High Speed Broadband (HSBB) Project

On 25 July 2008, the Company received the Letter of Award from the Government of Malaysia (GoM) for the implementation of the HSBB project under a Public-Private Partnership (PPP) arrangement. The PPP agreement was executed by the GoM and the Company on 16 September 2008.

The objective of the HSBB project is to develop the country's broadband infrastructure to increase broadband penetration and the competitiveness of the country in attracting foreign investments. The project involves the deployment of access, domestic core and international networks to deliver an end-to-end HSBB infrastructure. The estimated roll-out cost, to be incurred over a 10 years period (up to 25 July 2018) was projected to be RM11.3 billion. As a Co-Sponsor of the project, the GoM agreed to fund RM2.4 billion of the project cost. The remaining RM8.9 billion would be borne by the Company. Subsequently, the HSBB roll-out covered 1.3 million premises in 2012.

Under the above arrangement, the Company claimed from the GoM fifty percent (50.0%) of the capital expenditure incurred for the HSBB project on a quarterly basis over a 3.5 years period up to the maximum amount of RM2.4 billion.

In conjunction with the arrangement, the Company has to fulfil certain undertakings for the GoM including sharing of appropriate portion of any excess of the actual revenue and other cost savings incurred in relation to the project. During the current financial year ended, the amount of cost savings to the project were concluded following an independent audit commissioned by the GoM. As a result, RM118.7 million was remitted to the GoM as a settlement of the undertaking for the cost savings.

(d) High Speed Broadband Project Phase 2 (HSBB2) and the Sub-Urban Broadband Project (SUBB)

On 17 December 2015, the Company signed two (2) PPP agreements with the GoM for the implementation of the HSBB2 and the SUBB to deploy access and domestic core networks to deliver an end-to-end broadband network infrastructure and services for the nation.

The 10-year HSBB2 project encompasses the deployment of additional access and core capacity covering state capitals and selected major towns throughout the country. It includes planning, designing, implementation, operation and maintenance of HSBB network infrastructure and services.

The SUBB infrastructure is rolled out over a period of ten (10) years, involving the upgrading of existing copper lines to deliver high-speed broadband access speeds of up to 20Mbps and up to 100Mbps in areas deployed with Fibre-to-the-Home (FTTH) technology, to over 420,000 premises by 2019.

The total cost of the HSBB2 investment for a period of ten (10) years is RM1.8 billion whereby the GoM invests RM500.0 million and the remaining RM1.3 billion is invested by the Company. The total cost of the SUBB investment for a period of ten (10) years is RM1.6 billion with the GoM investing RM600.0 million and the Company investing RM1.0 billion.

In conjunction with the arrangements, the Company has certain undertakings for the GoM which includes future repayment obligations as disclosed in note 17(c) and arrangements in relation to cost savings incurred to both projects.

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45. CAPITAL AND OTHER COMMITMENTS (CONTINUED)

(e) Broadband Fiberisation (BBF) Project under Universal Service Provision (USP)

During the previous financial year, the Company was appointed by Malaysian Communications and Multimedia Commission (MCMC) as a designated universal service provider under Regulation 36F of the USP Regulations 2002 for the provisioning and implementation of fibre optic broadband access network and services to upgrade broadband customers currently served through legacy networks. Through this initiative, 0.9 million customers are targetted to be upgraded, out of which 0.4 million customers will be upgraded via the USP Fund, and the Company is required to upgrade the remaining 0.5 million customers to fibre-optic broadband access network(s) with its own funds.

	The Group and the Company	
	2022 RM	2021 RM
(f) Donation via/to Yayasan Telekom Malaysia		
Amount approved and committed	**25.0**	23.0

46. SEGMENT REPORTING

By Business Segments

The Group organises its business into the following segments, summarised as follows:

- Unifi comprises the Company's retail arm and its subsidiaries which complement the retail business. The line of business is responsible for the position of a wide range of telecommunication services and communications solutions to households, individuals as well as small and medium enterprise (SME) companies.
- TM One is responsible for the provision of a wide range of telecommunications services and communications solutions to small and medium businesses as well as corporate and government customers.
- TM Global comprises the wholesale arm of the Company and its subsidiaries that complement the wholesale business. This line of business is responsible for the provision of a wide range of wholesale telecommunications services delivered over the Group's networks to domestic and international carriers.

Shared Services/Others include all shared services divisions, all business functions divisions such as information technology and network, and subsidiaries that do not fall under the above lines of business.

Expenses incurred by corporate divisions such as Human Capital Management, Finance, Strategy and Regulatory, Company Secretary, Procurement and special purpose entities and foreign exchange differences arising from translation of foreign currency placements which were not allocated to a particular business segment are disclosed as part of shared services/others. These are considered non-operating segments.

Segment capital expenditure comprises additions to property, plant and equipment, intangibles, and right-of-use assets including additions resulting from acquisition of subsidiaries.

Significant non-cash expenses comprise mainly allowance for impairment of receivables and unrealised foreign exchange gains or losses on settlement as disclosed in note 6(b) to the audited financial statements.

46. SEGMENT REPORTING (CONTINUED)

	Unifi> RM	TM One RM	TM Global RM	Shared Services/ Others^ RM	Elimination RM	Total RM
Financial year ended 31 December 2022						
Operating revenue						
Total operating revenue	5,633.0	3,591.9	2,851.8	554.2	-	12,630.9
Inter-segment@	(22.2)	(256.0)	(73.2)	(161.4)	-	(512.8)
External operating revenue	5,610.8	3,335.9	2,778.6	392.8	-	12,118.1
Results						
EBIT	1,382.3	636.2	469.2	(557.0)	159.5	2,090.2
Other losses (net)						(8.6)
Finance income						74.8
Finance cost						(387.1)
Foreign exchange loss on borrowings						(94.0)
Associate - share of results (net of tax)						11.2
Profit before tax and zakat						1,686.5
Tax and zakat						(542.3)
Profit for the financial year						1,144.2
Financial year ended 31 December 2022						
Other information						
Capital expenditure						
- additions during the financial year	215.3	439.7	212.1	2,313.5	-	3,180.6
Depreciation and amortisation	248.0	333.4	107.2	2,162.8	-	2,851.4
Write-off of property, plant and equipment	(0.2)	(0.2)	0.1	16.0	-	15.7
Write-off of intangible assets	0.2	-	-	10.7	-	10.9
(Reversal)/Impairment charge of property, plant and equipment	(7.5)	(8.8)	-	1.7	-	(14.6)
Impairment reversal of right-of-use assets	(0.5)	-	-	-	-	(0.5)
Significant non-cash (reversal)/expenses (net)	(3.8)	3.7	2.2	9.5	-	11.6

@ Inter-segment operating revenue relates to inter-company revenue and has been eliminated at the respective segment operating revenue. These inter-segment trading arrangements are subject to periodic review. The inter-company revenue was entered into in the normal course of business.

^ Expenses incurred by corporate divisions such as Human Capital Management, Finance, Strategy and Regulatory, Company Secretary, Procurement and special purpose entities and foreign exchange differences arising from the translation of foreign currency placements which were not allocated to a particular business segment are disclosed as part of shared services/others. These are considered non-operating segments.

> Unifi segment for the current financial year and comparatives include financial information of TM Technology Services Sdn Bhd (TM Tech) and its subsidiaries, reflective of TM Tech's current customer profile in aligning to the Group's overall operational segmentation.

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46. SEGMENT REPORTING (CONTINUED)

	Unifi> RM	TM One RM	TM Global RM	Shared Services/ Others^ RM	Elimination RM	Total RM
Financial year ended 31 December 2021						
Operating revenue						
Total operating revenue	5,252.6	3,595.7	2,660.2	573.3	-	12,081.8
Inter-segment@	(35.3)	(276.2)	(82.1)	(159.2)	-	(552.8)
External operating revenue	5,217.3	3,319.5	2,578.1	414.1	-	11,529.0
Results						
EBIT	1,089.0	817.4	451.2	(642.0)	(5.5)	1,710.1
Other losses (net)						(15.7)
Finance income						75.6
Finance cost						(486.3)
Foreign exchange loss on borrowings						(48.9)
Associate - share of results (net of tax)						12.0
Profit before tax and zakat						1,246.8
Tax and zakat						(368.9)
Profit for the financial year						877.9
Financial year ended 31 December 2021						
Other information						
Capital expenditure						
- additions during the financial year	393.6	388.5	130.3	1,553.3	-	2,465.7
Depreciation and amortisation	291.5	221.2	96.7	1,864.0	-	2,473.4
Write-off of property, plant and equipment	0.5	3.6	0.5	9.6	-	14.2
Impairment of property, plant and equipment	49.0	2.2	-	22.9	-	74.1
Impairment of right-of-use assets	52.7	-	-	-	-	52.7
Impairment of intangible assets	20.3	-	-	-	-	20.3
Significant non-cash (reversal)/expenses (net)	(2.1)	12.8	15.5	137.6	-	163.8

@ Inter-segment operating revenue relates to inter-company revenue and has been eliminated at the respective segment operating revenue. These inter-segment trading arrangements are subject to periodic review. The inter-company revenue was entered into in the normal course of business.

^ Expenses incurred by corporate divisions such as Human Capital Management, Finance, Strategy and Regulatory, Company Secretary, Procurement and special purpose entities and foreign exchange differences arising from the translation of foreign currency placements which were not allocated to a particular business segment are disclosed as part of shared services/others. These are considered non-operating segments.

> Unifi segment for the current financial year and comparatives include financial information of TM Technology Services Sdn Bhd (TM Tech) and its subsidiaries, reflective of TM Tech's current customer profile in aligning to the Group's overall operational segmentation.

The prior year comparatives have been restated for better comparability with alignment to current business structure. This includes the movement of TM Info-Media Sdn Bhd previously under Others to Unifi, Medium Enterprise Business (MEB) customers from TM One to Unifi and Global Service Providers (GSP) division from TM One to TM Global.

46. SEGMENT REPORTING (CONTINUED)

By Geographical Location

The Group operates in a few countries as disclosed in note 53 to the audited financial statements. Accordingly, the segmentation of the Group's operations by geographical location is segmented into Malaysia and overseas. The overseas operation is not further segregated as no individual overseas country contributed more than 10.0% of the consolidated operating revenue or assets.

In presenting information for geographical segments of the Group, sales are based on the country in which the customers are located. Total assets and capital expenditure are determined based on where the assets are located.

	Operating Revenue		Capital Expenditure	
	2022 RM	2021 RM	2022 RM	2021 RM
Malaysia	**10,786.0**	10,205.5	**2,912.8**	2,339.0
Other countries	**1,332.1**	1,323.5	**267.8**	126.7
	12,118.1	11,529.0	**3,180.6**	2,465.7

47. FINANCIAL INSTRUMENTS BY CATEGORY

The Group	At amortised cost RM	At fair value through other comprehensive income RM	At fair value through profit or loss RM	Derivatives at FVTPL accounted for under hedge accounting RM	Other financial liabilities at amortised cost RM	Total RM
2022						
Financial Assets						
Derivative financial instruments (note 20)	-	-	-	132.0	-	132.0
Equity investments at fair value through other comprehensive income (FVOCI) (note 30(a))	-	149.1	-	-	-	149.1
Investments at fair value through profit or loss (FVTPL) (note 30(c))	-	-	166.7	-	-	166.7
Investments at fair value through other comprehensive income (FVOCI) (note 30(b))	-	66.5	-	-	-	66.5
Staff loans and other non-current receivables (excluding prepayments and prepaid employee benefits) (note 32)	321.1	-	-	-	-	321.1
Trade and other receivables (excluding prepayments, tax recoverable, grant recoverable and staff loans) (note 35)	1,328.3	-	-	-	-	1,328.3
Receivables at FVOCI (note 31)	-	155.4	-	-	-	155.4
Financial assets at fair value through profit or loss (note 36)	-	-	2.2	-	-	2.2
Cash and bank balances (note 37)	2,579.4	-	-	-	-	2,579.4
Total	4,228.8	371.0	168.9	132.0	-	4,900.7
Financial Liabilities						
Borrowings (note 17)	-	-	-	-	5,269.3	5,269.3
Lease liabilities (note 19)	-	-	-	-	1,774.5	1,774.5
Trade and other payables (excluding statutory liabilities, provision for voluntary separation programmes and deferred revenue) (note 38)	-	-	-	-	3,421.8	3,421.8
Customer deposits (note 39)	-	-	-	-	182.6	182.6
Total	-	-	-	-	10,648.2	10,648.2

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47. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The Group	At amortised cost RM	At fair value through other comprehensive income RM	At fair value through profit or loss RM	Derivatives at FVTPL accounted for under hedge accounting RM	Other financial liabilities at amortised cost RM	Total RM
2021						
Financial Assets						
Derivative financial instruments (note 20)	-	-	-	145.4	-	145.4
Equity investments at fair value through other comprehensive income (FVOCI) (note 30(a))	-	141.6	-	-	-	141.6
Investments at fair value through profit or loss (FVTPL) (note 30(c))	-	-	318.5	-	-	318.5
Investments at fair value through other comprehensive income (FVOCI) (note 30(b))	-	82.3	-	-	-	82.3
Staff loans and other non-current receivables (excluding prepayments and prepaid employee benefits) (note 32)	344.5	-	-	-	-	344.5
Trade and other receivables (excluding prepayments, tax recoverable, grant recoverable and staff loans) (note 35)	1,092.5	-	-	-	-	1,092.5
Receivables at FVOCI (note 31)	-	297.9	-	-	-	297.9
Financial assets at fair value through profit or loss (note 36)	-	-	2.2	-	-	2.2
Cash and bank balances (note 37)	2,733.8	-	-	-	-	2,733.8
Total	4,170.8	521.8	320.7	145.4	-	5,158.7
Financial Liabilities						
Derivative financial instruments (note 20)	-	-	-	4.6	-	4.6
Borrowings (note 17)	-	-	-	-	5,720.0	5,720.0
Lease liabilities (note 19)	-	-	-	-	1,883.7	1,883.7
Trade and other payables (excluding statutory liabilities, provision for voluntary separation programmes and deferred revenue) (note 38)	-	-	-	-	3,382.5	3,382.5
Customer deposits (note 39)	-	-	-	-	221.4	221.4
Total	-	-	-	4.6	11,207.6	11,212.2

47. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The Company	At amortised cost RM	At fair value through other comprehensive income RM	At fair value through profit or loss RM	Derivatives at FVTPL accounted for under hedge accounting RM	Other financial liabilities at amortised cost RM	Total RM
2022						
Financial Assets						
Derivative financial instruments (note 20)	**-**	**-**	**-**	**132.0**	**-**	**132.0**
Loans and advances to subsidiaries (note 28)	**40.5**	**-**	**-**	**-**	**-**	**40.5**
Equity investments at fair value through other comprehensive income (FVOCI) (note 30(a))	**-**	**149.1**	**-**	**-**	**-**	**149.1**
Investments at fair value through profit or loss (FVTPL) (note 30(c))	**-**	**-**	**166.7**	**-**	**-**	**166.7**
Investments at fair value through other comprehensive income (FVOCI) (note 30(b))	**-**	**66.5**	**-**	**-**	**-**	**66.5**
Staff loans and other non-current receivables (excluding prepayments and prepaid employee benefits) (note 32)	**253.0**	**-**	**-**	**-**	**-**	**253.0**
Trade and other receivables (excluding prepayments, tax recoverable, grant recoverable and staff loans) (note 35)	**1,228.3**	**-**	**-**	**-**	**-**	**1,228.3**
Receivables at FVOCI (note 31)	**-**	**155.4**	**-**	**-**	**-**	**155.4**
Financial assets at fair value through profit or loss (note 36)	**-**	**-**	**2.2**	**-**	**-**	**2.2**
Cash and bank balances (note 37)	**2,126.7**	**-**	**-**	**-**	**-**	**2,126.7**
Total	**3,648.5**	**371.0**	**168.9**	**132.0**	**-**	**4,320.4**
Financial Liabilities						
Borrowings (note 17)	**-**	**-**	**-**	**-**	**4,672.5**	**4,672.5**
Lease liabilities (note 19)	**-**	**-**	**-**	**-**	**729.3**	**729.3**
Payable to a subsidiary (note 18)	**-**	**-**	**-**	**-**	**552.2**	**552.2**
Trade and other payables (excluding statutory liabilities, provision for voluntary separation programmes and deferred revenue) (note 38)	**-**	**-**	**-**	**-**	**4,472.6**	**4,472.6**
Customer deposits (note 39)	**-**	**-**	**-**	**-**	**180.7**	**180.7**
Total	**-**	**-**	**-**	**-**	**10,607.3**	**10,607.3**

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for the Financial Year Ended 31 December 2022

47. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The Company	At amortised cost RM	At fair value through other comprehensive income RM	At fair value through profit or loss RM	Derivatives at FVTPL accounted for under hedge accounting RM	Other financial liabilities at amortised cost RM	Total RM
2021						
Financial Assets						
Derivative financial instruments (note 20)	-	-	-	145.4	-	145.4
Loans and advances to subsidiaries (note 28)	382.1	-	-	-	-	382.1
Equity investments at fair value through other comprehensive income (FVOCI) (note 30(a))	-	141.6	-	-	-	141.6
Investments at fair value through profit or loss (FVTPL) (note 30(c))	-	-	318.5	-	-	318.5
Investments at fair value through other comprehensive income (FVOCI) (note 30(b))	-	82.3	-	-	-	82.3
Staff loans and other non-current receivables (excluding prepayments and prepaid employee benefits) (note 32)	295.1	-	-	-	-	295.1
Trade and other receivables (excluding prepayments, tax recoverable, grant recoverable and staff loans) (note 35)	1,123.1	-	-	-	-	1,123.1
Receivables at FVOCI (note 31)	-	297.9	-	-	-	297.9
Financial assets at fair value through profit or loss (note 36)	-	-	2.2	-	-	2.2
Cash and bank balances (note 37)	2,297.4	-	-	-	-	2,297.4
Total	4,097.7	521.8	320.7	145.4	-	5,085.6
Financial Liabilities						
Derivative financial instruments (note 20)	-	-	-	4.6	-	4.6
Borrowings (note 17)	-	-	-	-	4,919.9	4,919.9
Lease liabilities (note 19)	-	-	-	-	708.7	708.7
Payable to a subsidiary (note 18)	-	-	-	-	730.7	730.7
Trade and other payables (excluding statutory liabilities, provision for voluntary separation programmes and deferred revenue) (note 38)	-	-	-	-	3,741.7	3,741.7
Customer deposits (note 39)	-	-	-	-	221.4	221.4
Total	-	-	-	4.6	10,322.4	10,327.0

48. FAIR VALUES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date.

(a) Financial Instruments Carried at Fair Value

The table below analyses financial instruments carried at fair value, by valuation method. The different levels of valuations are:

- Quoted prices (unadjusted) in active markets for identical 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 prices) 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 following table presents the Group's and the Company's financial assets and liabilities that are measured at fair value at 31 December.

The Group and the Company	2022				2021			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Assets								
Financial assets at fair value through profit or loss								
- quoted securities	**2.2**	**-**	**-**	**2.2**	2.2	-	-	2.2
Derivatives accounted for under hedge accounting	**-**	**132.0**	**-**	**132.0**	-	145.4	-	145.4
Investments at fair value through OCI	**-**	**66.5**	**-**	**66.5**	-	82.3	-	82.3
Investments at fair value through profit or loss	**-**	**90.3**	**76.4**	**166.7**	-	243.2	75.3	318.5
Equity investments at fair value through OCI	**-**	**-**	**149.1**	**149.1**	-	-	141.6	141.6
Receivables at fair value through OCI	**-**	**-**	**155.4**	**155.4**	-	-	297.9	297.9
Total	**2.2**	**288.8**	**380.9**	**671.9**	2.2	470.9	514.8	987.9
Liabilities								
Derivatives accounted for under hedge accounting	**-**	**-**	**-**	**-**	-	4.6	-	4.6
Total	**-**	**-**	**-**	**-**	-	4.6	-	4.6

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. The quoted market price used for financial assets held by the Group and the Company is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise of equity securities quoted on the Bursa Malaysia Securities Berhad classified as fair value through profit or loss.

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.

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48. FAIR VALUES (CONTINUED)

(a) Financial Instruments Carried at Fair Value (continued)

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting date, with the resulting value discounted back present value.
- Fair value of staff loans and long term receivables are determined through discounting future cash flows at market observable borrowing rates reflective of the credit ratings of the individuals from whom the receivables are due.
- Fair value of borrowings and long term payables are based on the expected cost and cash outflows if the borrowings and amount due are to be unwound or settled immediately.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

All of the resulting fair value estimates are included in Level 2 except for staff loans, investments in non-traded equity security and a technology investment fund. There were no transfers of any instruments between Level 1, 2 and 3 of the fair valuation hierarchy during the current financial year.

The following table shows a reconciliation from the opening balance to the closing balance for fair value measurements at Level 3 of the fair value hierarchy:

The Group and the Company	Receivables at FVOCI RM	Non-traded Equity Investments at FVOCI (sub-note (i)) RM	Technology investment fund and Corporate Social Responsibility Sukuk (note 30(c)) RM
Assets			
At 1 January 2021	296.6	133.5	76.1
Addition during the year	42.6	-	6.6
Management fees	-	-	(6.5)
Repayments (net of conversion)	(36.3)	-	-
Amortisation of prepayment	(1.7)	-	-
Foreign exchange difference	-	-	8.3
Fair value changes transferred to other comprehensive income	(3.3)	8.1	(9.2)
At 31 December 2021	**297.9**	**141.6**	**75.3**
Addition during the year	**36.9**	**-**	**13.9**
Management fees	**-**	**-**	**(1.1)**
Repayments (net of conversion)	**(42.7)**	**-**	**-**
Disposal	**(171.2)**	**-**	**(9.7)**
Amortisation of prepayment	**30.7**	**-**	**-**
Impairment reclassification to other non-current receivables	**2.1**	**-**	**-**
Write-off of impairment	**0.4**	**-**	**-**
Foreign exchange difference	**-**	**-**	**4.1**
Fair value changes transferred to other comprehensive income	**1.3**	**7.5**	**(6.1)**
At 31 December 2022	**155.4**	**149.1**	**76.4**

(i) The fair valuation of non-traded equity investment is based on discounted future cash flows derived from the budgets and forecasts of the investee entity, duly approved by its Board of Directors. The future cash flows are discounted based on discount factors of comparable entities which are publicly listed whenever available, as well as industry benchmarks, having considered historical ability of the investee in meeting its previous budgets and forecasts. The Group also has Board representation in the investee through which due understanding of actual and forecasted performance are used by the Group in assessing the appropriateness of the estimates and assumptions used in arriving to the valuation.

48. FAIR VALUES (CONTINUED)

(a) Financial Instruments Carried at Fair Value (continued)

Although the Group and the Company believe that estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurement in Level 3, if the discount rate used in the discounted cash flow analysis and multiples where applied is to differ by 5.0% from management's estimates, the carrying amount of non-traded equity investments would be approximately RM6.9 million lower or RM7.3 million higher (2021: RM5.5 million lower or RM5.7 million higher). The carrying amount of staff loans at Level 3 would approximately be RM7.8 million (2021: RM14.8 million) lower or higher if discount rate used in the valuation is to defer by 5.0% from management's estimates. The carrying amount of technology investment fund and Corporate Social Responsibility Sukuk would be an estimated RM3.8 million (2021: RM3.8 million) lower or higher if the discount rate used in the valuation were to differ by 5.0% from management's estimates.

(b) Financial Instruments Other Than Those Carried at Fair Value

Except for those as disclosed below, the carrying amounts of the financial assets and financial liabilities of the Group and the Company are reasonable approximation of fair values, either due to their short term nature or that they are floating rate instruments that are re-priced to market interest rate on or near the reporting date. The following instruments are at Level 3 in the fair value hierarchy, save for borrowings, which are at Level 2.

	The Group				The Company			
	2022		2021		2022		2021	
	Carrying amount RM	Net fair value RM	Carrying amount RM	Net fair value RM	Carrying amount RM	Net fair value RM	Carrying amount RM	Net fair value RM
Assets								
Staff loans	**17.3**	**12.7**	20.9	15.9	**17.2**	**12.6**	20.8	15.8
Other non-current receivables (excluding tax recoverable)	**303.8**	**297.4**	323.6	329.7	**235.8**	**229.4**	274.3	280.4
Liabilities								
Borrowings	**5,269.3**	**5,492.0**	5,720.0	6,215.6	**4,672.5**	**4,930.2**	4,919.9	5,385.4
Payable to a subsidiary	**-**	**-**	-	-	**552.2**	**517.4**	730.7	760.9

Assets

In assessing the fair value of non-traded financial instruments, the Group and the Company use a variety of methods and make assumptions that are based on market conditions existing at each reporting date. Where impairment is made in respect of any investment, the carrying amount net of impairment made is deemed to be a close approximation of its fair value.

The fair values of staff loans and other non-current receivables were estimated by discounting the estimated future cash flows using the prevailing market rates for similar credit risks and remaining period to maturity, respectively.

Collaterals are taken for staff loans and the Directors are of the opinion that the potential losses in the event of default will be covered by the collateral values on individual loan basis.

Liabilities

The fair value of quoted bonds was estimated using the respective quoted offer price. For unquoted borrowings with fixed interest rate, the fair values were estimated by discounting the estimated future cash flows using the prevailing market rates for similar credit risks and remaining period to maturity.

The financial liabilities will be realised at their carrying amounts and not at their fair values as the Directors have no intention to settle these liabilities other than in accordance with their contractual obligations.

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49. LIQUIDITY RISK

The following table analyses the maturity profile of the Group's and the Company's financial liabilities (including derivative financial liabilities) based on contractual undiscounted cash flows:

The Group	Less than 1 year RM	>1 year to 2 years RM	>2 years to 5 years RM	>5 years RM	Total contractual undiscounted cash flow RM	Difference from carrying amount RM	Carrying amount as per Statement of Financial Position RM
2022							
Borrowings	**(581.0)**	**(1,465.5)**	**(3,005.5)**	**(1,086.6)**	**(6,138.6)**	**869.3**	**(5,269.3)**
Lease liabilities	**(326.8)**	**(312.9)**	**(648.0)**	**(1,368.1)**	**(2,655.8)**	**881.3**	**(1,774.5)**
Trade and other payables (excluding statutory liabilities, provision for voluntary separation programmes and deferred revenue)	**(3,397.2)**	**(3.0)**	**(15.8)**	**(9.8)**	**(3,425.8)**	**4.0**	**(3,421.8)**
Customer deposits	**(182.6)**	**-**	**-**	**-**	**(182.6)**	**-**	**(182.6)**
Total	**(4,487.6)**	**(1,781.4)**	**(3,669.3)**	**(2,464.5)**	**(12,402.8)**	**1,754.6**	**(10,648.2)**
2021							
Borrowings	(666.1)	(755.1)	(3,796.6)	(1,653.1)	(6,870.9)	1,150.9	(5,720.0)
Lease liabilities	(432.7)	(262.0)	(624.8)	(1,530.3)	(2,849.8)	966.1	(1,883.7)
Derivative financial instruments	-	(4.6)	-	-	(4.6)	-	(4.6)
Trade and other payables (excluding statutory liabilities, provision for voluntary separation programmes and deferred revenue)	(3,359.4)	(3.4)	(9.9)	(15.7)	(3,388.4)	5.9	(3,382.5)
Customer deposits	(221.4)	-	-	-	(221.4)	-	(221.4)
Total	(4,679.6)	(1,025.1)	(4,431.3)	(3,199.1)	(13,335.1)	2,122.9	(11,212.2)
The Company							
2022							
Borrowings	**(522.5)**	**(1,443.1)**	**(2,409.9)**	**(1,086.6)**	**(5,462.1)**	**789.6**	**(4,672.5)**
Lease liabilities	**(120.9)**	**(102.0)**	**(225.7)**	**(878.7)**	**(1,327.3)**	**598.0**	**(729.3)**
Payable to a subsidiary	**-**	**-**	**(552.2)**	**-**	**(552.2)**	**-**	**(552.2)**
Trade and other payables (excluding statutory liabilities, provision for voluntary separation programmes and deferred revenue)	**(4,472.6)**	**-**	**-**	**-**	**(4,472.6)**	**-**	**(4,472.6)**
Customer deposits	**(180.7)**	**-**	**-**	**-**	**(180.7)**	**-**	**(180.7)**
Total	**(5,296.7)**	**(1,545.1)**	**(3,187.8)**	**(1,965.3)**	**(11,994.9)**	**1,387.6**	**(10,607.3)**
2021							
Borrowings	(583.4)	(521.6)	(3,212.5)	(1,653.0)	(5,970.5)	1,050.6	(4,919.9)
Lease liabilities	(187.8)	(70.8)	(165.6)	(912.1)	(1,336.3)	627.6	(708.7)
Derivative financial instruments	-	(4.6)	-	-	(4.6)	-	(4.6)
Payable to a subsidiary	-	(209.2)	(521.5)	-	(730.7)	-	(730.7)
Trade and other payables (excluding statutory liabilities, provision for voluntary separation programmes and deferred revenue)	(3,742.8)	-	-	-	(3,742.8)	1.1	(3,741.7)
Customer deposits	(221.4)	-	-	-	(221.4)	-	(221.4)
Total	(4,735.4)	(806.2)	(3,899.6)	(2,565.1)	(12,006.3)	1,679.3	(10,327.0)

50. INTEREST RATE MATURITY ANALYSIS

The table below summarises the Group's and the Company's interest rate profile. Included in the tables are the Group's and the Company's financial assets and liabilities at their carrying amounts, categorised by the earlier of repricing or contractual maturity dates. As such the spread of balances between the ageing brackets in the table below may not necessarily coincide with those shown in the liquidity risk schedule in note 49 or the repayment schedules in note 17 to the audited financial statements. The Group's sensitivity to interest rates arises from mismatches in the repricing dates, cash flows and other characteristics of assets and their corresponding liability funding.

		Maturing or repriced (whichever is earlier)								
The Group	WARF*	1 year or less RM	>1 - 2 years RM	>2 - 3 years RM	>3 - 4 years RM	>4 - 5 years RM	More than 5 years RM	Total interest sensitive RM	Non-interest sensitive RM	Total RM
2022										
Financial assets										
Derivative financial instruments	-	-	-	132.0	-	-	-	132.0	-	132.0
Equity investments at fair value through other comprehensive income (FVOCI)	-	-	-	-	-	-	-	-	149.1	149.1
Investments at fair value through profit or loss (FVTPL)										
- non-interest sensitive	-	-	-	-	-	-	-	-	75.4	75.4
- fixed interest rate	3.91%	2.1	89.2	-	-	-	-	91.3	-	91.3
Investments at fair value through other comprehensive income (FVOCI) (note 30(b))										
- fixed interest rate	4.11%	66.5	-	-	-	-	-	66.5	-	66.5
Receivable at FVOCI										
- balances under Islamic principles	6.17%	-	0.2	0.5	0.5	0.4	153.8	155.4	-	155.4
Staff loans and other non-current receivables (excluding prepaid employee benefits)										
- non-interest sensitive	-	-	-	-	-	-	-	-	68.0	68.0
- fixed interest rate										
- conventional	3.53%	-	-	235.8	-	-	-	235.8	-	235.8
- balances under Islamic principles	10.18%	0.5	1.8	3.5	4.1	3.2	4.2	17.3	-	17.3
Trade and other receivables (excluding prepayments, tax recoverable, grant recoverable and staff loans)										
- non-interest sensitive	-	-	-	-	-	-	-	-	1,264.0	1,264.0
- fixed interest rate										
- balances under Islamic principles	3.70%	64.3	-	-	-	-	-	64.3	-	64.3
Financial assets at FVTPL	-	-	-	-	-	-	-	-	2.2	2.2
Cash and bank balances										
- non-interest sensitive	-	-	-	-	-	-	-	-	811.4	811.4
- fixed interest rate										
- conventional	2.12%	784.2	-	-	-	-	-	784.2	-	784.2
- balances under Islamic principles	2.28%	983.8	-	-	-	-	-	983.8	-	983.8
Total		1,901.4	91.2	371.8	4.6	3.6	158.0	2,530.6	2,370.1	4,900.7
Financial liabilities										
Borrowings										
- non-interest sensitive	-	-	-	-	-	-	-	-	2.0	2.0
- floating interest rate	3.86%	6.9	2.9	2.9	-	1.4	-	14.1	-	14.1
- fixed interest rate										
- conventional	7.68%	52.6	21.3	1,327.6	-	-	0.1	1,401.6	-	1,401.6
- balances under Islamic principles	4.50%	250.0	1,200.0	300.0	552.2	500.0	1,049.4	3,851.6	-	3,851.6
Lease liabilities	5.42%	230.3	227.8	166.5	151.8	125.1	873.0	1,774.5	-	1,774.5
Trade and other payables (excluding statutory liabilities, provision for voluntary separation programmes and deferred revenue)										
- non-interest sensitive	-	-	-	-	-	-	-	-	3,372.4	3,372.4
- fixed interest rate	1.71%	26.3	1.4	0.1	-	13.7	7.9	49.4	-	49.4
Customer deposits	-	-	-	-	-	-	-	-	182.6	182.6
Total		566.1	1,453.4	1,797.1	704.0	640.2	1,930.4	7,091.2	3,557.0	10,648.2
Interest sensitivity gap		1,335.3	(1,362.2)	(1,425.3)	(699.4)	(636.6)	(1,772.4)			

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for the Financial Year Ended 31 December 2022

50. INTEREST RATE MATURITY ANALYSIS (CONTINUED)

The Group	WARF*	Maturing or repriced (whichever is earlier) 1 year or less RM	>1 - 2 years RM	>2 - 3 years RM	>3 - 4 years RM	>4 - 5 years RM	More than 5 years RM	Total interest sensitive RM	Non-interest sensitive RM	Total RM
2021										
Financial assets										
Derivative financial instruments	-	-	-	-	145.4	-	-	145.4	-	145.4
Equity investments at fair value through other comprehensive income (FVOCI)	-	-	-	-	-	-	-	-	141.6	141.6
Investments at fair value through profit or loss (FVTPL)										
- non-interest sensitive	-	-	-	-	-	-	-	-	64.4	64.4
- fixed interest rate	2.75%	12.5	241.6	-	-	-	-	254.1	-	254.1
Investments at fair value through other comprehensive income (FVOCI) (note 30(b))										
- fixed interest rate	4.70%	82.3	-	-	-	-	-	82.3	-	82.3
Receivable at FVOCI										
- balances under Islamic principles	6.16%	-	0.2	0.3	0.6	0.8	296.0	297.9	-	297.9
Staff loans and other non-current receivables (excluding prepaid employee benefits)										
- non-interest sensitive	-	-	-	-	-	-	-	-	49.3	49.3
- fixed interest rate										
- conventional	3.53%	-	-	-	211.3	-	-	211.3	-	211.3
- balances under Islamic principles	5.08%	63.6	2.0	3.1	5.1	4.2	5.9	83.9	-	83.9
Trade and other receivables (excluding prepayments, tax recoverable, grant recoverable and staff loans)	-	-	-	-	-	-	-	-	1,092.5	1,092.5
Financial assets at FVTPL	-	-	-	-	-	-	-	-	2.2	2.2
Cash and bank balances										
- non-interest sensitive	-	-	-	-	-	-	-	-	621.0	621.0
- fixed interest rate										
- conventional	1.04%	1,100.3	-	-	-	-	-	1,100.3	-	1,100.3
- balances under Islamic principles	2.14%	1,012.5	-	-	-	-	-	1,012.5	-	1,012.5
Total		2,271.2	243.8	3.4	362.4	5.0	301.9	3,187.7	1,971.0	5,158.7
Financial liabilities										
Derivative financial instruments	-	-	4.6	-	-	-	-	4.6	-	4.6
Borrowings										
- non-interest sensitive	-	-	-	-	-	-	-	-	2.2	2.2
- floating interest rate	3.25%	8.9	2.9	2.9	-	2.9	1.5	19.1	-	19.1
- fixed interest rate										
- conventional	7.53%	72.5	21.3	20.3	1,254.5	-	0.1	1,368.7	-	1,368.7
- balances under Islamic principles	4.34%	300.0	459.2	1,200.0	300.0	521.5	1,549.3	4,330.0	-	4,330.0
Lease liabilities	5.44%	330.3	172.5	153.5	129.2	121.9	976.3	1,883.7	-	1,883.7
Trade and other payables (excluding statutory liabilities, provision for voluntary separation programmes and deferred revenue)										
- non-interest sensitive	-	-	-	-	-	-	-	-	3,298.3	3,298.3
- fixed interest rate	1.41%	62.3	1.0	0.4	0.1	7.9	12.5	84.2	-	84.2
Customer deposits	-	-	-	-	-	-	-	-	221.4	221.4
Total		774.0	661.5	1,377.1	1,683.8	654.2	2,539.7	7,690.3	3,521.9	11,212.2
Interest sensitivity gap		1,497.2	(417.7)	(1,373.7)	(1,321.4)	(649.2)	(2,237.8)			

* WARF - Weighted Average Rate of Finance as at 31 December

50. INTEREST RATE MATURITY ANALYSIS (CONTINUED)

The table below summarises the Weighted Average Rate of Finance (WARF) as at 31 December by major currencies for each class of financial asset and liability:

	2022		2021	
The Group	**USD**	**RM**	**USD**	**RM**
Financial assets				
Investments at fair value through profit or loss (FVTPL)	**-**	**3.91%**	-	2.75%
Investments at fair value through other comprehensive income (FVOCI)	**-**	**4.11%**	-	4.70%
Receivables at FVOCI – fixed interest rate	**-**	**6.17%**	-	6.16%
Staff loans and other non-current receivables (excluding prepaid employee benefits)	**-**	**3.98%**	-	3.97%
Cash and bank balances	**4.82%**	**4.08%**	0.35%	2.14%
Financial liabilities				
Borrowings	**6.59%**	**4.64%**	6.05%	4.59%
Trade and other payable	**-**	**1.71%**	-	1.41%
Lease liabilities	**-**	**5.42%**	-	5.44%

		Maturing or repriced (whichever is earlier)								
The Company	**WARF***	**1 year or less RM**	**>1 - 2 years RM**	**>2 - 3 years RM**	**>3 - 4 years RM**	**>4 - 5 years RM**	**More than 5 years RM**	**Total interest sensitive RM**	**Non-interest sensitive RM**	**Total RM**
2022										
Financial assets										
Derivative financial instruments	**-**	**-**	**-**	**132.0**	**-**	**-**	**-**	**132.0**	**-**	**132.0**
Loans and advances to subsidiaries (net)										
- floating interest rate	**5.07%**	**-**	**21.3**	**-**	**-**	**8.8**	**10.4**	**40.5**	**-**	**40.5**
Equity investments at fair value through other comprehensive income (FVOCI)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**149.1**	**149.1**
Investments at fair value through profit or loss (FVTPL)										
- non-interest sensitive	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**75.4**	**75.4**
- fixed interest rate	**3.91%**	**2.1**	**89.2**	**-**	**-**	**-**	**-**	**91.3**	**-**	**91.3**
Investments at fair value through other comprehensive income (FVOCI) (note 30(b))										
- fixed interest rate	**4.11%**	**66.5**	**-**	**-**	**-**	**-**	**-**	**66.5**	**-**	**66.5**
Receivable at FVOCI										
- balances under Islamic principles	**6.17%**	**-**	**0.2**	**0.5**	**0.5**	**0.4**	**153.8**	**155.4**	**-**	**155.4**
Staff loans and other non-current receivables (excluding prepaid employee benefits)										
- fixed interest rate										
- conventional	**3.53%**	**-**	**-**	**235.8**	**-**	**-**	**-**	**235.8**	**-**	**235.8**
- balances under Islamic principles	**10.18%**	**0.5**	**1.8**	**3.5**	**4.1**	**3.2**	**4.1**	**17.2**	**-**	**17.2**
Trade and other receivables (excluding prepayments, tax recoverable, grant recoverable and staff loans)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- non-interest sensitive	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,164.0**	**1,164.0**
- fixed interest rate										
- balances under Islamic principles	**3.70%**	**64.3**	**-**	**-**	**-**	**-**	**-**	**64.3**	**-**	**64.3**
Financial assets at FVTPL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2.2**	**2.2**
Cash and bank balances										
- non-interest sensitive	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**422.7**	**422.7**
- fixed interest rate										
- conventional	**2.20%**	**781.9**	**-**	**-**	**-**	**-**	**-**	**781.9**	**-**	**781.9**
- balances under Islamic principles	**2.35%**	**922.1**	**-**	**-**	**-**	**-**	**-**	**922.1**	**-**	**922.1**
Total		**1,837.4**	**112.5**	**371.8**	**4.6**	**12.4**	**168.3**	**2,507.0**	**1,813.4**	**4,320.4**

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50. INTEREST RATE MATURITY ANALYSIS (CONTINUED)

The Company	WARF*	Maturing or repriced (whichever is earlier) 1 year or less RM	>1 - 2 years RM	>2 - 3 years RM	>3 - 4 years RM	>4 - 5 years RM	More than 5 years RM	Total interest sensitive RM	Non-interest sensitive RM	Total RM
2022										
Financial liabilities										
Borrowings										
- non-interest sensitive	-	-	-	-	-	-	-	-	2.0	2.0
- fixed interest rate										
- conventional	7.75%	22.2	21.3	1,327.5	-	-	0.1	1,371.1	-	1,371.1
- balances under Islamic principles	4.66%	250.0	1,200.0	300.0	-	500.0	1,049.4	3,299.4	-	3,299.4
Lease liabilities	6.02%	77.1	60.4	41.5	42.4	28.3	479.6	729.3	-	729.3
Payable to a subsidiary										
- balances under Islamic principles	3.53%	-	-	-	552.2	-	-	552.2	-	552.2
Trade and other payables (excluding statutory liabilities, provision for voluntary separation programmes and deferred revenue)										
- non-interest sensitive	-	-	-	-	-	-	-	-	3,227.6	3,227.6
- fixed interest rate	2.48%	1,218.7	-	-	-	-	-	1,218.7	-	1,218.7
- floating interest rate	-	26.3	-	-	-	-	-	26.3	-	26.3
Customer deposits	-	-	-	-	-	-	-	-	180.7	180.7
Total		1,594.3	1,281.7	1,669.0	594.6	528.3	1,529.1	7,197.0	3,410.3	10,607.3
Interest sensitivity gap		243.1	(1,169.2)	(1,297.2)	(590.0)	(515.9)	(1,360.8)			

50. INTEREST RATE MATURITY ANALYSIS (CONTINUED)

The Company	WARF*	Maturing or repriced (whichever is earlier) 1 year or less RM	>1 - 2 years RM	>2 - 3 years RM	>3 - 4 years RM	>4 - 5 years RM	More than 5 years RM	Total interest sensitive RM	Non-interest sensitive RM	Total RM
2021										
Financial assets										
Derivative financial instruments	-	-	-	-	145.4	-	-	145.4	-	145.4
Loans and advances to subsidiaries (net)										
- floating interest rate	4.29%	-	3.5	7.1	-	-	371.5	382.1	-	382.1
Equity investments at fair value through other comprehensive income (FVOCI)	-	-	-	-	-	-	-	-	141.6	141.6
Investments at fair value through profit or loss (FVTPL)										
- non-interest sensitive	-	-	-	-	-	-	-	-	64.4	64.4
- fixed interest rate	2.75%	12.5	241.6	-	-	-	-	254.1	-	254.1
Investments at fair value through other comprehensive income (FVOCI) (note 30(b))										
- fixed interest rate	4.70%	82.3	-	-	-	-	-	82.3	-	82.3
Receivable at FVOCI										
- balances under Islamic principles	6.16%	-	0.2	0.3	0.6	0.8	296.0	297.9	-	297.9
Staff loans and other non-current receivables (excluding prepaid employee benefits)										
- fixed interest rate										
- conventional	3.53%	-	-	-	211.3	-	-	211.3	-	211.3
- balances under Islamic principles	5.08%	63.6	2.0	3.1	5.0	4.2	5.9	83.8	-	83.8
Trade and other receivables (excluding prepayments, tax recoverable, grant recoverable and staff loans)	-	-	-	-	-	-	-	-	1,123.1	1,123.1
Financial assets at FVTPL	-	-	-	-	-	-	-	-	2.2	2.2
Cash and bank balances										
- non-interest sensitive	-	-	-	-	-	-	-	-	252.0	252.0
- fixed interest rate										
- conventional	1.04%	1,099.7	-	-	-	-	-	1,099.7	-	1,099.7
- balances under Islamic principles	2.15%	945.7	-	-	-	-	-	945.7	-	945.7
Total		2,203.8	247.3	10.5	362.3	5.0	673.4	3,502.3	1,583.3	5,085.6
Financial liabilities										
Derivative financial instruments	-	-	4.6	-	-	-	-	4.6	-	4.6
Borrowings										
- non-interest sensitive	-	-	-	-	-	-	-	-	2.2	2.2
- fixed interest rate										
- conventional	7.69%	22.2	21.4	20.3	1,254.5	-	-	1,318.4	-	1,318.4
- balances under Islamic principles	4.62%	300.0	250.0	1,200.0	300.0	-	1,549.3	3,599.3	-	3,599.3
Lease liabilities	6.13%	144.4	31.4	19.8	17.4	16.6	479.1	708.7	-	708.7
Payable to a subsidiary										
- balances under Islamic principles	2.93%	-	209.2	-	-	207.8	313.7	730.7	-	730.7
Trade and other payables (excluding statutory liabilities, provision for voluntary separation programmes and deferred revenue)										
- non-interest sensitive	-	-	-	-	-	-	-	-	3,034.3	3,034.3
- fixed interest rate	1.98%	56.1	-	-	-	-	-	56.1	-	56.1
- floating interest rate	1.96%	651.3	-	-	-	-	-	651.3	-	651.3
Customer deposits	-	-	-	-	-	-	-	-	221.4	221.4
Total		1,174.0	516.6	1,240.1	1,571.9	224.4	2,342.1	7,069.1	3,257.9	10,327.0
Interest sensitivity gap		1,029.8	(269.3)	(1,229.6)	(1,209.6)	(219.4)	(1,668.7)			

* WARF - Weighted Average Rate of Finance as at 31 December

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50. INTEREST RATE MATURITY ANALYSIS (CONTINUED)

The table below summarises the Weighted Average Rate of Finance (WARF) as at 31 December by major currencies for each class of financial asset and liability:

The Company	2022			2021		
	IDR	USD	RM	IDR	USD	RM
Financial assets						
Loans and advances to subsidiaries (net)	**6.88%**	**5.06%**	**4.57%**	2.34%	2.34%	4.35%
Investments at fair value through other comprehensive income (FVOCI)	**-**	**-**	**4.11%**	-	-	4.70%
Investments at fair value through profit or loss (FVTPL)	**-**	**-**	**3.91%**	-	-	2.75%
Receivables at FVOCI	**-**	**-**	**6.17%**	-	-	6.16%
Staff loans and other non-current receivables (excluding prepaid employee benefits)	**-**	**-**	**3.98%**	-	-	3.97%
Cash and bank balances	**-**	**4.82%**	**4.33%**	-	0.35%	2.14%
Financial liabilities						
Borrowings	**-**	**7.86%**	**4.66%**	-	7.88%	4.62%
Lease liabilities	**-**	**-**	**6.02%**	-	-	6.13%
Payable to a subsidiary	**-**	**3.53%**	**-**	-	2.93%	-
Trade and other payables (excluding statutory liabilities and deferred revenue)	**-**	**-**	**2.43%**	-	-	1.96%

51. CONTINGENT LIABILITIES (UNSECURED)

(a) In the Matter of Arbitration between Vodoke Pte Ltd (VPL) and Telekom Malaysia Berhad (TM)

The Award on liability had been approved by SIAC on 6 July 2022 ("the Award") as follows:

(i) VPL's Claims are dismissed;

(ii) TM's counterclaims that VPL was liable for inducing or procuring a breach of the agreement between Vodoke Nusantara Pte Ltd and TM and/or VPL was liable to TM for the debts owed by Vodoke Nusantara Pte Ltd to TM, are dismissed; and

(iii) TM's counterclaim that VPL was liable for actionable misrepresentation is allowed. It is ordered that there be an assessment of TM's loss and damage so suffered.

On 1 November 2022, TM received an Originating Application dated 6 October 2022 from VPL, seeking a declaration in relation to the Partial Award dated 6 July 2022 that VPL was deprived of the opportunity to present its case in accordance with the Model Law read together with the International Arbitration Act 1994 (IAA) and/or there was a breach of the rules of natural justice in the making of the Award by which VPL's rights have been prejudiced, the Award be set aside and a fresh tribunal is appointed to hear the parties' disputes.

With regard to VPL's Originating Application to set aside the Award on liability dated 6 July 2022, on 27 January 2023, the High Court of Singapore dismissed VPL's application with a cost of SGD25,000, thereby preserving the Award in TM's favour.

51. CONTINGENT LIABILITIES (UNSECURED) (CONTINUED)

(a) In the Matter of Arbitration between Vodoke Pte Ltd (VPL) and Telekom Malaysia Berhad (TM) (continued)

In furtherance of the above, on 6 February 2023, TM received the Final Award on Damages and Costs dated 3 February 2023 from the Arbitral Tribunal, as follows:

1. VPL is to pay TM damages and loss in the sum of USD3,086,384;
2. VPL is to pay TM interest on the said sum of USD3,086,384 awarded on damages at the rate of 5.33% per annum from the date of the Final Award until full settlement by VPL of the said sum;
3. VPL is to bear the costs of the arbitration of SGD318,209;
4. VPL is to pay TM the following legal and other costs:

   (i) The sums of RM1,074,190 and SGD339,785 as legal representation costs of TM;

   (ii) SGD2,000 as SIAC Filing Fees;

   (iii) SGD23,717 as Costs of Transcription Services incurred.

   VPL is to pay TM all the amount mentioned above within 45 days from 3 February 2023, failing which, VPL shall further pay interest at the rate of 5.33% per annum on unpaid amounts until full settlement by VPL to TM.

VPL still has the right to file an application within 90 days at the High Court to set aside the Final Award and accordingly, management has disclosed the above as it is a contingent asset.

(b) In the Matter of Arbitration between MYTV Broadcasting Sdn Bhd (MYTV) and Telekom Malaysia Berhad (TM)

On 24 February 2022, TM received a Notice of Arbitration (Notice) from MYTV. In the said Notice, MYTV has referred its dispute with TM in relation to a Service Agreement for the Provision of Digital Terrestrial Television (DTT) Broadcasting Infrastructure, Network Facilities and Related Services entered into between MYTV and TM dated 14 November 2016 (Service Agreement), to arbitration at the Asian International Arbitration Centre, Kuala Lumpur, pursuant to the Kuala Lumpur Regional Centre for Arbitration Rules.

The Asian International Arbitration Centre had completed the process of the appointment of all arbitrators on 17 October 2022.

On 10 November 2022, a Preliminary Meeting was held and the Arbitral Tribunal directed MYTV and TM to discuss and agree on the draft Procedural Order No. 1 and Timetable before reverting to the Tribunal by 17 November 2022.

On 19 December 2022, the Arbitral Tribunal finalised the procedural timelines. The arbitration is scheduled for hearing from 2 to 13 December 2024.

Accordingly, on 10 February 2023, TM had received a Statement of Claim from MYTV in accordance with the procedural timelines.

MYTV is seeking for the following reliefs from TM:

(a) Declaratory relief that TM is not entitled to be paid the amount of RM91,714,254 or any amounts claimed by it to be due and owing by MYTV in respect of the Dispute;

(b) A declaration that the provisions and the pricing stipulated under the Mandatory Standard on Access Pricing (MSAP) determined pursuant to sections 55, 56, 104(2) and 106 of the Communications and Multimedia Act 1998 from time to time applied and continues to apply to the Service Agreement;

(c) A declaration that all sums invoiced by TM should have complied or conformed with the applicable MSAP at the relevant time and an order that such sums paid by MYTV to TM in excess of the stipulated applicable rates under the MSAP be refunded by TM to MYTV;

(d) Declaration that the said sum of RM38 million paid by MYTV to TM under the Professional Consultancy Agreement be taken into account by TM as payment towards the total outstanding invoices issued by TM to MYTV under the Service Agreement;

(e) Declaration that none of the payments made by MYTV in respect of invoices after 2017 or any part thereof should have been applied to any of the invoices for 2016 and 2017;

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for the Financial Year Ended 31 December 2022

51. CONTINGENT LIABILITIES (UNSECURED) (CONTINUED)

(b) In the Matter of Arbitration between MYTV Broadcasting Sdn Bhd (MYTV) and Telekom Malaysia Berhad (TM) (continued)

MYTV is seeking for the following reliefs from TM: (continued)

(f) Declaration that the invoices for 2016 and 2017 totalling RM19,734,063 were wrongly issued, invalid and null and void;

(g) Declaration that no sum, or any part thereof, under TM's invoice No. 9000420465 dated 4 March 2020 totalling RM13,540,960 or any part thereof is due or owing by MYTV to TM under the Service Agreement or otherwise in respect of 16 unused DTT sites;

(h) Declaratory relief that TM has fundamentally breached the Service Agreement and/or was negligent in failing to provide a Completely Redundant 1+1 Network Configuration to MYTV;

(i) Special damages of RM42,812,314 and/or general damages to be assessed resulting from TM's failure to provide Completely Redundant 1+1 Network Configuration for 14 DTT sites;

(j) Special damages of RM64,016,049 and/or general damages to be assessed resulting from TM's failure to provide Completely Redundant 1+1 Network Configuration for 11 DTT sites;

(k) RM3,270,108 as liquidated ascertained damages for late delivery by TM for 14 DTT sites;

(l) A declaration that a sum of RM7,168,736 per annum ought to be deducted from the invoices rendered to MYTV under the Service Agreement as reduction or discount in respect of 16 DTT sites;

(m) Special damages of RM167,781,558 as at 31 December 2022 and a sum of RM28,061,647 per annum from 1 January 2023 to the date of the award and/or general damages to be assessed in respect of the failure, refusal and/or neglect by TM to make available Metro-Ethernet Network (Metro-E) to MYTV;

(n) Special damages of a sum of RM7,188,000 and/or general damages to be assessed for MYTV's losses arising from TM's breach of the Service Agreement and/or negligence and/or breach of duty of care in relation to failures at 5 DTT sites;

(o) Pre and post award interest, further and/or declarations and/or specific reliefs orders, as may be necessary, appropriate or just in the circumstances.

TM strongly opposes the claims made by MYTV in the Statement of Claim and will submit its Statement of Defence and Counterclaim to the Arbitral Panel by 10 May 2023 as per the agreed Procedural Timeline.

The Directors, based on legal advice, are of the view that TM has a good chance of success in dismissing the claim.

Save as disclosed above, neither TM nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on TM's and/or its subsidiaries' financial position or business of TM Group and TM Board is not aware of any proceedings, pending or threatened against TM and/or its subsidiaries, or of any facts likely to give rise to any proceedings which may materially affect TM's and/or its subsidiaries' financial position or business of TM Group.

52. MATURITY ANALYSIS OF UNDISCOUNTED OPERATING LEASE INCOME

The Group and the Company lease out their investment property, buildings and equipment. The Group and the Company classified these leases as operating lease, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The following table sets out the maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Within 1 year	**3.3**	22.4	**47.2**	84.9
In the 2nd year	**1.4**	0.6	**4.5**	44.5
In the 3rd year	**#**	0.1	**2.3**	2.9
In the 4th year	**-**	-	**1.5**	2.6
In the 5th year	**-**	-	**1.5**	2.5
Later than 5 years	**-**	-	**1.5**	16.5
Total undiscounted operating lease income	**4.7**	23.1	**58.5**	153.9

\# Amount less than RM0.1 million

53. LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2022

The subsidiaries are as follows:

	Group's Effective Interest		Paid-up Capital		
Name of Company	2022 %	2021 %	2022 Million	2021 Million	Principal Activities
Fiberail Sdn Bhd	**54**	54	**RM15.8**	RM15.8	Provision of network connectivity and bandwidth services in Malaysia and project management services in relation to telecommunications
Fibrecomm Network (M) Sdn Bhd	**51**	51	**RM75.0**	RM75.0	Provision of fibre optic transmission network services
GITN Sdn Berhad	**100**	100	**RM50.0**	RM50.0	Provision of managed network services and enhanced value added telecommunication and information technology services
Intelsec Sdn Bhd	**100**	100	**RM10.7**	RM10.7	Provision of information and communications technology (ICT) services and cloud consumption by designing and leveraging the network and exchange platforms
Menara Kuala Lumpur Sdn Bhd (sub-note (a))	**-**	100	**-**	RM10.0	Managing and operating Menara Kuala Lumpur
Mobikom Sdn Bhd	**100**	100	**RM610.0**	RM610.0	Provision of transmission of voice and data through the cellular system
Parkside Properties Sdn Bhd	**100**	100	**RM0.1**	RM0.1	Dormant
Telekom Applied Business Sdn Bhd	**100**	100	**RM16.2**	RM16.2	Provision of software development and sale of software products
Telekom Enterprise Sdn Bhd	**100**	100	**-**	RM0.6	Investment holding
Telekom Malaysia (Australia) Pty Ltd**	**100**	100	**AUD#**	AUD#	Provision of international telecommunications services

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for the Financial Year Ended 31 December 2022

53. LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2022 (CONTINUED)

The subsidiaries are as follows: (continued)

Name of Company	Group's Effective Interest 2022 %	Group's Effective Interest 2021 %	Paid-up Capital 2022 Million	Paid-up Capital 2021 Million	Principal Activities
Telekom Malaysia (Hong Kong) Limited*	**100**	100	**HKD18.5**	HKD18.5	Provision of international telecommunications services
Telekom Malaysia DMCC*	**100**	100	**AED0.05**	AED0.05	Provision of international telecommunications services
Telekom Malaysia (S) Pte Ltd*	**100**	100	**SGD#**	SGD#	Provision of international telecommunications services
Telekom Malaysia (UK) Limited*	**100**	100	**GBP#**	GBP#	Provision of international telecommunications services
Telekom Malaysia (USA) Inc*	**100**	100	**USD#**	USD#	Provision of international telecommunications services
Telekom Multi-Media Sdn Bhd	**100**	100	**RM1.7**	RM1.7	Investment holding
Telekom Sales and Services Sdn Bhd	**100**	100	**RM14.5**	RM14.5	Provision of management of customers care services and trading of customer premises telecommunication equipment
Telekom Technology Sdn Bhd	**100**	100	**RM13.0**	RM13.0	Ceased operation
TM Digital Innovation Sdn Bhd (incorporated on 14 February 2022)	**100**	-	**RM5.0**	-	Provision of Digital Solution comprising services and/or software including but not limited to Cloud, analytics, Internet of Things (IoT), automation, mobility, industry specific solutions covering advisory, development and operations (DevOps) and Managed Services
TM ESOS Management Sdn Bhd (In Liquidation)	**100**	100	**RM0.1**	RM0.1	Special purpose entity
TM Facilities Sdn Bhd	**100**	100	**RM2.3**	RM2.3	Provision of property development activities
TM Global Incorporated	**100**	100	**USD#**	USD#	Investment holding
TM Info-Media Sdn Bhd	**100**	100	**RM6.0**	RM6.0	Publication of printed and online telephone directories services as well as provision of multi platform solutions for advertising
TM Net Sdn Bhd	**100**	100	**RM180.0**	RM180.0	Content and application development for Internet services
TM Technology Services Sdn Bhd (formerly known as Webe Digital Sdn Bhd) (sub-note (b))	**100**	91.8	**RM5,763.1**	RM27.5	Providing last mile broadband network infrastructure facilities and services (Subsequently updated on 1 March 2023 as disclosed in note 55 to the audited financial statements)
Tulip Maple Berhad	**100**	100	**RM#**	RM#	Special purpose entity
Universiti Telekom Sdn Bhd (sub-note (c))	**100**	100	**RM705.6**	RM650.0	Managing and administering a private university known as Multimedia University

53. LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2022 (CONTINUED)

The subsidiaries are as follows: (continued)

Name of Company	Group's Effective Interest		Paid-up Capital		Principal Activities
	2022 %	2021 %	2022 Million	2021 Million	
VADS Berhad	**100**	100	**RM6.1**	RM6.1	Provision of managed network services, network system integration services and network centric services
VADS Lyfe Sdn Bhd	**100**	100	**RM13.5**	RM13.5	Provision of information and communications technology (ICT) system security services, integrated security management system, and build, provide and manage the smart building services including smart tenant services for the building owners, operators, residents and visitors
Subsidiaries held through Intelsec Sdn Bhd					
Inneonusa Sdn Bhd	**51**	51	**RM15.0**	RM15.0	Provision of ICT system security and smart building services including smart tenant services for building owners, operators, residents and visitors
Lyfe Medini Sdn Bhd	**51**	51	**RM2.0**	RM2.0	Provision of innovative and best value smart products and services
Subsidiaries held through TM Technology Services Sdn Bhd					
P1.Com Sdn Bhd+	-	91.8	-	RM#	A collector of telecommunications revenue for fellow group companies
Millercom Sdn Bhd (In Liquidation)	**100**	91.8	**RM0.3**	RM0.3	Dormant
RuumzNation Sdn Bhd+	-	91.8	-	RM0.1	Dormant
Packet One (L) Ltd	**100**	91.8	**RM#**	RM#	Investment holding
Subsidiary held through TM Info-Media Sdn Bhd					
Cybermall Sdn Bhd	**100**	100	**RM2.7**	RM2.7	Ceased operation
Subsidiary held through TM Facilities Sdn Bhd					
TMF Autolease Sdn Bhd	**100**	100	**RM1.0**	RM1.0	Provision of fleet management services

NOTES TO THE FINANCIAL STATEMENTS
for the Financial Year Ended 31 December 2022

53. LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2022 (CONTINUED)

The subsidiaries are as follows: (continued)

Name of Company	Group's Effective Interest 2022 %	Group's Effective Interest 2021 %	Paid-up Capital 2022 Million	Paid-up Capital 2021 Million	Principal Activities
Subsidiaries held through Universiti Telekom Sdn Bhd					
Unitele Multimedia Sdn Bhd	**100**	100	**RM1.0**	RM1.0	Provision of training and related services
Telekom Research & Development Sdn Bhd (sub-note (c))	**100**	100	**RM20.0**	RM20.0	Provision of research and development activities in the areas of communications, hi-tech applications and products and services in related business
Multimedia College Sdn Bhd	**100**	100	**RM2.0**	RM2.0	Ceased operation
Subsidiary held through Unitele Multimedia Sdn Bhd					
MMU Creativista Sdn Bhd	**100**	100	**RM#**	RM#	Ceased operation
Subsidiaries held through VADS Berhad					
Meganet Communications Sdn Bhd (In Liquidation)	**100**	100	**RM11.0**	RM11.0	Dormant
VADS Business Process Sdn Bhd	**100**	100	**RM10.0**	RM10.0	Provision of managed contact centre services
VADS e-Services Sdn Bhd (In Liquidation)	**100**	100	**RM1.0**	RM1.0	Ceased operation
VADS Professional Services Sdn Bhd (In Liquidation)	**100**	100	**RM#**	RM#	Dormant
VADS Solutions Sdn Bhd (In Liquidation)	**100**	100	**RM1.5**	RM1.5	Provision of system integration services
VADS Digital Sdn Bhd++	**-**	100	**-**	RM#	Dormant
Subsidiary held through VADS Business Process Sdn Bhd					
PT VADS Indonesia (collectively with VADS Berhad)^*	**100**	100	**IDR17,052.8**	IDR17,052.8	Provision of managed contact centre services
Subsidiary consolidated through effective control as defined by MFRS 10					
Yayasan Telekom Malaysia^^	**-**	-	**-**	-	A trust established under the provision of Trustees (Incorporation) Act, 1952, for promotion and advancement of education, research and dissemination of knowledge

53. LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2022 (CONTINUED)

All subsidiaries are incorporated in Malaysia except the following:

Name of Company	Place of Incorporation
PT VADS Indonesia	- Indonesia
Telekom Malaysia (Australia) Pty Ltd	- Australia
Telekom Malaysia DMCC	- United Arab Emirates
Telekom Malaysia (Hong Kong) Limited	- Hong Kong
Telekom Malaysia (S) Pte Ltd	- Singapore
Telekom Malaysia (UK) Limited	- United Kingdom
Telekom Malaysia (USA) Inc	- USA

AUD Australian Dollar
AED United Arab Emirates Dirham
IDR Indonesian Rupiah
HKD Hong Kong Dollar
SGD Singapore Dollar
GBP Pound Sterling
USD US Dollar

Amount less than 0.1 million in their respective currencies
* Audited by a member firm of Ernst & Young Global Limited which is a separate and independent legal entity from Ernst & Young PLT.
** Local legislations and regulations do not require the preparation of audited financial statements for this entity
^ VADS Berhad and VADS Business Process Sdn Bhd hold a direct interest of 10.0% and 90.0% respectively in PT VADS Indonesia
^^ As an entity established under the Trustees (Incorporation) Act, 1952, this entity has an initial contribution of RM13.0 million instead of paid-up capital
\+ Struck-off from the register of companies with Suruhanjaya Syarikat Malaysia (SSM), gazetted on 13 April 2022 with Gazette No. 9242.
++ Struck-off from the register of companies with SSM, gazetted on 9 June 2022 with Gazette No. 13882

(a) Changes to shareholding in Menara Kuala Lumpur Sdn Bhd (MKLSB)

Following the Group's decision not to renew the concession agreement awarded to MKLSB for the rights to the operation, management and maintenance of Menara Kuala Lumpur (the Tower) and Tower land (the Concession) as disclosed in note 23(b)(ii) to the Group's audited financial statements for financial year ended 31 December 2021, the Group has subsequently secured the relevant approvals accordingly. The Group and the Company have on 31 October 2022 completed a share purchase agreement to dispose its 100% interest in MKLSB for a consideration of RM3.8 million comprising of cash and the acquirer's commitment to make good obligations associated to the Concession.

NOTES TO THE FINANCIAL STATEMENTS
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53. LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2022 (CONTINUED)

(a) Changes to shareholding in Menara Kuala Lumpur Sdn Bhd (MKLSB) (continued)

Financial performance and cash flow information:

(i) At TM Group level, the financial performance and cash flow information presented are for the 10 months ended 31 October 2022 (2022 column) and the financial year ended 31 December 2021:

	TM Group	
	2022 RM	**2021 RM**
Revenue	**23.8**	8.5
Expenses	**(20.8)**	(58.5)
Other operating income	**-**	0.8
Operating profit/(loss)	**3.0**	(49.2)
Interest (expense)/income	**(0.1)**	0.2
Profit/(Loss) before income tax	**2.9**	(49.0)
Tax credit	**1.1**	1.1
Profit/(Loss) after income tax of the disposed subsidiary	**4.0**	(47.9)
Gain on disposal of the subsidiary	**-**	-
Profit/(Loss) from the disposed subsidiary	**4.0**	(47.9)
Net cash from operating activities	**(1.5)**	(5.7)
Net cash from investing activities	**2.0**	6.4
Net cash from financing activities	**(0.1)**	(0.3)
Net increase in cash generated by the subsidiary	**0.4**	0.4

Details of the sale of the subsidiary

Consideration received	
Cash	**0.1**
Cash received in relation to make good obligations (sub-note (a))	**0.5**
Total disposal consideration	**0.6**
Carrying amount of net liability of subsidiary disposed	**8.2**
Gain on disposal of the subsidiary	**8.8**

* The disposal is capital in nature at TM Company level and therefore is not subjected to tax

(ii) At TM Company level, the carrying value of the Company's investment in the subsidiary had been fully provided for as at the date of completion. A RM0.6 million gain was therefore recorded upon the disposal.

53. LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2022 (CONTINUED)

(b) Changes to shareholding in TM Technology Services Sdn Bhd (formerly known as Webe Digital Sdn Bhd) (TM Tech)

(i) TM Tech became a directly owned subsidiary of the Company on 20 July 2022 upon the transfer of TM Tech shares owned by Mobikom Sdn Bhd (Mobikom) (a wholly-owned subsidiary of the Company) to the Company. The completion of the exchange of TM Tech shares owned by Mobikom as well as RM1.2 billion Convertible Medium Term Notes issued by TM Tech and subscribed by Mobikom to the Company, with the settlement of shareholder's loan and other receivables owing by Mobikom to the Company, was executed vide a settlement letter on 23 September 2022.

(ii) On 15 November 2022, the Group and the Company acquired the remaining 8.2% shareholding of TM Tech from a non-controlling interest, making TM Tech a 100% owned subsidiary of the Group and the Company.

(iii) On 17 November 2022, the Group and the Company completed a recapitalisation exercise of TM Tech via a renounceable rights issuance by TM Tech amounting to RM4.0 billion that was wholly subscribed by the Company. The Company's subscription of the renounceable rights issuance was settled in part by way of TM Tech's buy back of the RM1.2 billion Convertible Medium Term Notes under the Company's subscription, the capitalisation of trade and other receivables and loans due to the Company from TM Tech as well as cash.

(iv) Arising from the recapitalisation exercise, as disclosed in note 4(a)(ii)(b) and note 27 to the audited financial statements, the Company effectively reversed the cumulative provisions for impairment of trade and other contract assets as well as other receivables to the income statement. Concurrently, a similar amount is recognised as a provision for the Company's investment in the recapitalisation of TM Tech, as summarised below:

		The Company	
	Note	2022 RM	2021 RM
Reversal of impairment for			
- trade receivables and contract assets	4(a)(ii)(b)(i)	**(440.1)**	-
- receivables other than trade and contract assets	4(a)(ii)(b)(ii)	**(1,016.5)**	-
Provision for impairment of investment in a subsidiary	27	**1,456.6**	-
Net provision arising from the recapitalisation		**-**	-

(c) Changes to shareholding in Telekom Research & Development Sdn Bhd (TM R&D)

On 16 December 2022, the Company transferred its 100% shareholding of TM R&D to Universiti Telekom Sdn Bhd (UTSB) in exchange for 55,597,585 units of newly issued shares of UTSB.

54. ASSOCIATE AS AT 31 DECEMBER 2022

	Group's Effective Interest		
Name of Company	2022 %	2021 %	Principal Activities
Associate held through Telekom Malaysia (S) Pte Ltd			
BlueTel Networks Pte Ltd	**29**	29	Provision of telecommunications and network solutions

BlueTel Networks Pte Ltd (BTN) is incorporated in Singapore and its financial year end is co-terminous with the Company.

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55. PROPOSED INTERNAL REORGANISATION OF TM GROUP

Subsequent to the changes in TM Technology Services Sdn Bhd (formerly known as Webe Digital Sdn Bhd) (TM Tech) as disclosed in note 53(b) to the audited financial statements, on 14 December 2022 the Group announced to Bursa Malaysia Securities a proposed Internal Reorganisation involving the transfer by Telekom Malaysia Berhad (the Company) and its selected wholly-owned subsidiaries of the Group's telecommunication business in Malaysia to a wholly-owned subsidiary of the Company, TM Tech by way of scheme of arrangement and amalgamation pursuant to the Companies Act 2016 (the Act) (Proposed Group Reorganisation).

On 13 December 2022, the Company and the following wholly-owned subsidiaries (each Transferor and collectively, the Transferors), entered into a conditional merger agreement (Merger Agreement) with TM Tech (as the Transferee) for purposes of implementation of the Proposed Group Reorganisation:

(i) Cybermall Sdn Bhd;
(ii) Mobikom Sdn Bhd;
(iii) Telekom Applied Business Sdn Bhd;
(iv) Telekom Enterprise Sdn Bhd;
(v) Telekom Multi-Media Sdn Bhd;
(vi) Telekom Sales & Services Sdn Bhd;
(vii) Telekom Technology Sdn Bhd;
(viii) TM Info-Media Sdn Bhd;
(ix) TM Net Sdn Bhd;
(x) VADS Berhad ("VADS"); and
(xi) VADS Lyfe Sdn Bhd

The Proposed Group Reorganisation is undertaken to streamline the Businesses of the Company and its subsidiaries (collectively, the TM Group or Group), primarily to enable the Company to become a company principally engaged in investment holding with TM Tech as the main operating entity of the Group to carry on the Group's telecommunication businesses based in Malaysia.

Details of the Proposed Group Reorganisation are set out in the 14 December 2022 announcement to Bursa Malaysia Securities.

The Group and the Company is of the view that the resultant corporate structure arising from the Proposed Group Reorganisation is the catalyst for the next phase of its continuous transformation journey. The Proposed Group Reorganisation will:

(i) enable the Group to reinforce its fixed mobile convergence leadership for fixed broadband, mobile services, digital content and innovative solutions;
(ii) improve the Group's operational efficiencies and streamline its processes;
(iii) simplify customer touchpoints and enable a more seamless customer experience; and
(iv) align the Group to industry best practices, improving the Group's competitive edge among local telecommunications and international digital players.

On 21 February 2023, the High Court granted a vesting order approving the scheme of arrangement and amalgamation between the Transferors and the Transferee under the Act (Vesting Order). Pursuant to the Vesting Order, the High Court has approved, inter alia, the following:

(i) the transfer and vesting of the Identified Assets and Liabilities from the Transferors to the Transferee according to the terms of the Merger Agreement, with effect on and from 1 March 2023; and

(ii) the dissolution of the Selected Transferors according to the terms of the Merger Agreement, with effect on and from 31 December 2023.

On 1 March 2023, the following matters had taken place:

(a) the transfer and vesting of the Identified Assets and Liabilities from the Transferors to the Transferee;

(b) the handing over to the Transferee of the Identified Assets and all other documents and materials relating to the Identified Assets and Liabilities, in possession of the Transferors; and

(c) the issuance and allotment of 4,993,959,454 Consideration Shares by the Transferee to the Company, at an issue price of RM1.00 each, credited as fully paid up.

55. PROPOSED INTERNAL REORGANISATION OF TM GROUP (CONTINUED)

The Company had on 1 March 2023, undertaken a novation exercise and novated to the Transferee, all of its rights and obligations under the following:

(i) the Islamic Medium Term Notes (IMTN) Programme established in 2013 by the Company with a limit of up to RM3.0 billion in nominal value and the outstanding IMTN issued under this IMTN Programme;

(ii) the outstanding Sukuk issued under the USD750,000,000 Multicurrency Sukuk Issuance Programme established in 2015 by the Company; and

(iii) the IMTN Programme and an Islamic Commercial Papers Programme established in 2018 by the Company, which have a combined limit of RM4.0 billion in nominal value and the outstanding IMTN issued under this IMTN Programme, collectively known as "Sukuks".

Pursuant thereto, the Company and the Transferee had agreed that the total number of 8,852,381,808 Consideration Shares to be issued by the Transferee to the Company on 1 March 2023 in accordance with the Merger Agreement, shall be reduced by 3,858,422,354 Consideration Shares, at an issue price of RM1.00 each, which is equivalent to the book value of the Sukuks as at 28 February 2023, being RM3,858,422,354.

Consequently, TM Tech's principal activities are updated to incorporate the establishment, maintenance and provision of telecommunication and related services, encompassing content and application development for Internet services.

The Proposed Group Reorganisation is not conditional upon any other corporate exercise undertaken or to be undertaken by the Company.

Barring any unforeseen circumstances, the Proposed Group Reorganisation is expected to complete by the end of the financial year ending 31 December 2023.

56. CURRENCY

All amounts are expressed in Ringgit Malaysia (RM) unless otherwise stated.

57. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issuance in accordance with a resolution of the Board of Directors on 30 March 2023.

STATEMENT BY DIRECTORS

pursuant to Section 251(2) of the Companies Act 2016

We, Tan Sri Mohammed Azlan Hashim and Dato' Shazril Imri Mokhtar, two of the Directors of Telekom Malaysia Berhad, state that, in the opinion of the Directors, the financial statements on pages 26 to 151 are drawn up so as to exhibit a true and fair view of the state of affairs of the Group and the Company as at 31 December 2022 and of the results and cash flows of the Group and the Company for the financial year ended on that date in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

In accordance with a resolution of the Directors dated 30 March 2023.

TAN SRI MOHAMMED AZLAN HASHIM
Director

DATO' SHAZRIL IMRI MOKHTAR
Director

Kuala Lumpur

STATUTORY DECLARATION

pursuant to Section 251(1)(b) of the Companies Act 2016

I, Razidan Ghazalli, the officer primarily responsible for the financial management of Telekom Malaysia Berhad, do solemnly and sincerely declare the financial statements set out on pages 26 to 151 are, in my opinion, 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.

Subscribed and solemnly)
declared at Kuala Lumpur)
this 30 March 2023.)

RAZIDAN GHAZALLI
MIA No. 4616

Before me:

Commissioner for Oaths
Kuala Lumpur

PESURUHJAYA SUMPAH
No. W790
Nama: ZAINUL ABIDIN
BIN AHMAD
1 JAN 2023 - 31 DIS 2025
MALAYSIA

No. 59, Jalan Telawi
Bangsar Baru
59100 Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

to the members of Telekom Malaysia Berhad

Registration No: 198401016183 [128740-P] (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Telekom Malaysia Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and income statements and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 26 to 151.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

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 audit 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 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.

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 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

<u>Key audit matters in respect of the audit of the financial statements of the Group and the Company</u>

a) Impairment and useful lives of property, plant and equipment, right-of-use assets and spectrum

(Refer to Note 23(b)(i) Property, plant and equipment: Impairment loss, Note 23(c) Property, plant and equipment: Review of useful life, Note 25(b) Intangible assets: Reassessment of useful life of telecommunication spectrum and review of impairment, Note 26(b) Right-of-use assets: Impairment loss, Note 2(d)(ii) - Significant accounting policies: Property, plant and equipment – Depreciation, Note 2(d)(iii) - Significant accounting policies: Property, plant and equipment – Impairment, Note 2(f)(iv) - Significant accounting policies: Intangible assets – Telecommunication spectrum, Note 2(q)(a)(vi) – Significant accounting policies: Accounting by lessee – Impairment, Note 3(b) – Critical accounting estimates and judgements: Estimated useful lives of property, plant and equipment and Note 3(d) – Critical accounting estimates and judgements: Impairment of property, plant and equipment, right-of-use assets, intangible assets (other than goodwill) and investment in subsidiaries)

As at 31 December 2022, the carrying amounts of property, plant and equipment and right-of-use ("ROU") assets of the Group and of the Company amounted to RM13,547.0 million, RM12,034.9 million, RM1,153.7 million and RM690.0 million respectively. The carrying amount of the spectrum of the Group amounted to RM116.5 million.

The Group and the Company perform an impairment assessment on the property, plant and equipment, ROU assets and spectrum whenever there is an indication of impairment.

INDEPENDENT AUDITORS' REPORT

to the members of Telekom Malaysia Berhad
Registration No: 198401016183 [128740-P] (Incorporated in Malaysia)

Key audit matters (continued)

Key audit matters in respect of the audit of the financial statements of the Group and the Company (continued)

a) Impairment and useful lives of property, plant and equipment, right-of-use assets and spectrum (continued)

For the purpose of impairment assessment, the Group and the Company determine the recoverable amounts of the property, plant and equipment, ROU assets and spectrum based on value-in-use ("VIU") and compare them to the carrying values of the respective related cash generating unit ("CGU") to determine whether the assets are impaired.

Estimating VIU involves the discounting of the estimated future cash inflows and outflows expected to be derived from the CGU to its present value using an appropriate discount rate.

The impairment assessment is complex and highly judgmental in light of the technological, economical and regulatory development which will impact the Group's and the Company's business plan and strategies including their capital expenditure structure. Judgement is also required in determining the appropriate discount rate used. No impairment was made during the current financial year.

In determining the estimated useful lives of the property, plant and equipment, ROU assets and spectrum, the Group and the Company exercise judgement based on their business plan and strategies, level of usage and potential changes in technology. Arising from the annual assessment during the current financial year, the Group and the Company revised the estimated useful lives of certain telecommunication network assets, giving rise to an increase in depreciation charges for the current financial year.

Accordingly, these were our areas of focus.

Our audit response

In addressing these areas of audit focus, we performed, amongst others, the following procedures:

- We obtained an understanding of the methodology adopted by the management in estimating the VIU and assessed whether such methodology is consistently applied and with those used in the industry;
- We assessed the reasonableness of key assumptions used, focusing on forecasted revenue and its drivers, forecasted capital and operating cost and profit margins, taking into consideration the current and expected future economic and technological development of the market and industry of the CGUs. We compared the key assumptions against historical outcomes;
- We involved our internal valuation experts in assessing the reasonableness of the discount rate used;
- We performed sensitivity analysis on key assumptions that will significantly affect the VIU;
- We evaluated the adequacy of disclosures of key assumptions to which the outcome of the impairment test is most sensitive; and
- We obtained an understanding of the annual review of the estimated useful lives of the property, plant and equipment by management and assessed their reasonableness by benchmarking to industry peers, focusing on telecommunication networks. In addition, we have also assessed and recomputed the revised depreciation charges for the year due to change in the estimated useful lives of certain telecommunication networks assets.

b) Revenue recognition due to complex information technology systems and revenue from customised contracts with public sector and enterprise customers from the TM One segment

(Refer to Note 5 – Operating revenue, Note 2(v)(i) – Significant accounting policies: Revenue recognition and allocation for bundled contracts with customers and Note 3(a) – Critical accounting estimates and judgements: Accounting for contracts with customers)

The Group and the Company recognised revenue of RM12,118.1 million and RM10,616.5 million respectively for the financial year ended 31 December 2022.

We focused on this area as there is an inherent risk over the accuracy of revenue recognised given the complexity of the information technology system and the interfacing between multiple systems and modules that process voluminous data which consists of individually low value transactions with a combination of different product mix, prices and rates (including customer discounts and incentive arrangements). It also involves key judgements and estimates in applying the revenue recognition policy.

Included in revenue of TM One segment are customised contracts with public sector and enterprise customers which require management to identify the multiple performance obligations and determine the progress for performance obligations identified to be satisfied over time such as installation works and services. Additional judgements and estimates were made to estimate the percentage of completion based on cost incurred over expected cost of the contract and whether contractual rights and obligations are properly recognised.

Key audit matters (continued)

Key audit matters in respect of the audit of the financial statements of the Group and the Company (continued)

b) Revenue recognition due to complex information technology systems and revenue from customised contracts with public sector and enterprise customers from the TM One segment (continued)

Our audit response

In addressing this area of audit focus, we performed, amongst others, the following procedures:

- We obtained an understanding of, evaluated the design and tested the operating effectiveness of key controls over the Group's and the Company's revenue recognition process, which includes involving our information technology specialists to test the operating effectiveness of automated controls over the billing systems. We also tested the accuracy of the data interface between the billing systems and general ledger and tested the non-automated controls which include timely updating of approved rate changes in the billing systems;
- We evaluated management's application of the Group's and the Company's accounting policies including key judgements and estimates made and where relevant, the methodology used by management to determine the standalone selling prices;
- We performed a three-way correlation between receivables, revenue and cash and bank balances using data analytics;
- For customised contracts with public sector and enterprise customers from the TM One segment, we focused on material contracts which had multiple performance obligations and those which are satisfied over time. Our procedures included testing the operating effectiveness of controls over revenue recognition of customized projects which include identification of performance obligations, estimation of relative standalone selling price for each performance obligation and the satisfaction of performance obligations identified. We also read the contract terms to ascertain that contractual terms were properly applied and traced revenue recognition to supporting evidence, such as delivery orders or certificate of acceptance for samples selected; and
- We also assessed the adequacy of the Group's and the Company's disclosures in respect to the accounting policies on revenue recognition.

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, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the annual report, which is expected to be made available to us after the date of this auditors' report.

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 identified above 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate action.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of 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.

INDEPENDENT AUDITORS' REPORT

to the members of Telekom Malaysia Berhad
Registration No: 198401016183 [128740-P] (Incorporated in Malaysia)

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:

- 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.
- 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 the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- 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 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.
- 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.
- 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 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 53 to the audited 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.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants
Kuala Lumpur, Malaysia

30 March 2023

Ahmad Zahirudin Bin Abdul Rahim
02607/12/2024 J
Chartered Accountant

SHAREHOLDING STATISTICS

as at 15 March 2023

ANALYSIS OF SHAREHOLDING

Issued Shares	:	3,821,977,181
Class of Shares	:	3,821,977,180 ordinary shares One (1) Special Rights Redeemable Preference Share (Special Share)
Number of Shareholders	:	39,780
Voting Rights	:	• One (1) vote of each ordinary share • Special Share has no voting right other than those referred to in Notes 13(a) respectively of the Financial Statements.

DISTRIBUTION OF ORDINARY SHARES

Size of Shareholdings	Shareholders				Holding			
	Malaysian		Foreign		Malaysian		Foreign	
	No.	%	No.	%	No.	%	No.	%
Less than 100	1,912	4.80	28	0.07	34,628	0.00	511	0.00
100 - 1,000	15,123	38.02	131	0.33	9,769,794	0.26	88,755	0.00
1,001 - 10,000	19,174	48.20	305	0.77	56,663,819	1.48	1,203,011	0.03
10,001 - 100,000	1,898	4.77	359	0.90	45,961,420	1.20	15,318,500	0.40
100,001 - 191,098,858 (*)	429	1.08	417	1.05	1,236,977,988	32.37	446,911,341	11.69
191,098,859 and above (**)	4	0.01	0	-	2,009,047,413	52.57	0	-
TOTAL	**38,540**	**96.88**	**1,240**	**3.12**	**3,358,455,062**	**87.88**	**463,522,118**	**12.12**

Notes:
* Less than 5% of issued holdings
** 5% and above of issued holdings

CLASSIFICATION OF SHAREHOLDERS HOLDING ORDINARY SHARES

Name of Company	No. of Shareholders		No. of Shares Held		% of Issued Shares	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
INDIVIDUAL						
a. Bumiputera	14,741	0	27,789,575	0	0.73	0.00
b. Chinese	17,368	0	61,804,074	0	1.62	0.00
c. Indian	1,427	0	3,911,126	0	0.10	0.00
d. Others	146	304	453,098	1,559,706	0.01	0.04
BODY CORPORATE						
a. Banks/Finance Companies	105	0	1,258,811,591	0	32.94	0.00
b. Investment Trusts/Foundation/Charities	8	0	503,336	0	0.01	0.00
c. Other Types of Companies	258	9	24,751,435	5,802,538	0.65	0.15
GOVERNMENT AGENCIES/INSTITUTION	12	0	767,566,564	0	20.08	0.00
NOMINEES	4,473	927	1,212,861,060	456,159,874	31.74	11.93
TRUSTEES	0	0	0	0	0.00	0.00
OTHERS	2	0	3,203	0	0.00	0.00
TOTAL	**38,540**	**1,240**	**3,358,455,062**	**463,522,118**	**87.88**	**12.12**

SHAREHOLDING STATISTICS
as at 15 March 2023

SUBSTANTIAL SHAREHOLDERS

		AS PER REGISTER OF DEPOSITORS			
		No. of Ordinary Shares Held		Percentage (%)	
No.	Shareholders	Direct	Indirect	Direct	Indirect
1	Khazanah Nasional Berhad	771,347,766	-	20.18	-
2	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	641,989,846	-	16.80	-
3	Amanah Raya Trustees Berhad - Amanah Saham Bumiputera	369,582,800	-	9.67	-
4	Kumpulan Wang Persaraan (Diperbadankan)	375,557,765	38,445,032	9.83	1.01
	TOTAL	**2,158,478,177**	**38,445,032**	**56.48**	**1.01**

		AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS			
		No. of Ordinary Shares Held		Percentage (%)	
No.	Shareholders	Direct	Indirect	Direct	Indirect
1	Khazanah Nasional Berhad	771,347,766	-	20.18	-
2	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	641,278,546	-	16.78	-
3	Amanah Raya Trustees Berhad - Amanah Saham Bumiputera	369,582,800	-	9.67	-
4	Kumpulan Wang Persaraan (Diperbadankan)	375,647,765	38,478,432	9.83	1.01
	TOTAL	**2,157,856,877**	**38,478,432**	**56.46**	**1.01**

DIRECTORS' DIRECT AND DEEMED INTEREST IN THE COMPANY
as per Register of Directors' Shareholdings

		No. of Shares Held		
No.	Interest in Company	Direct	Deemed Interest	%
1	Dato' Shazril Imri Mokhtar	6,099	4,800*	-**
2	Balasingham A/L A.Namasiwayam	16,279	-	-**
	TOTAL	**22,378**	**4,800***	**0.00**

Note:
* Deemed interest through spouse's holding, Datin Hasnita Hashim (an employeee of the Group)
** Less than 0.01%

Share Option in the form of LTIP held by directors are denoted in the Directors' Report on page 24 of the Financial Statements.

30 LARGEST SHAREHOLDERS
as at 15 March 2023

LIST OF TOP 30 SHAREHOLDERS
as per the Register of Members and Record of Depositors

No.	Name of Shareholders	No. of Shares	%
1	KHAZANAH NASIONAL BERHAD	753,926,166	19.73
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD - EMPLOYEES PROVIDENT FUND BOARD	509,980,682	13.34
3	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	375,557,765	9.83
4	AMANAHRAYA TRUSTEES BERHAD - AMANAH SAHAM BUMIPUTERA	369,582,800	9.67
5	CITIGROUP NOMINEES (TEMPATAN) SDN BHD - EXEMPT AN FOR AIA BHD.	64,929,475	1.70
6	AMANAHRAYA TRUSTEES BERHAD - AMANAH SAHAM MALAYSIA 2 - WAWASAN	64,725,000	1.69
7	AMANAHRAYA TRUSTEES BERHAD - AMANAH SAHAM MALAYSIA 3	57,951,158	1.52
8	AMANAHRAYA TRUSTEES BERHAD - AMANAH SAHAM MALAYSIA	54,554,100	1.43
9	LEMBAGA TABUNG HAJI	45,216,709	1.18
10	AMANAHRAYA TRUSTEES BERHAD - AMANAH SAHAM BUMIPUTERA 3 - DIDIK	39,716,912	1.04
11	CITIGROUP NOMINEES (TEMPATAN) SDN BHD - EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	39,069,200	1.02
12	CARTABAN NOMINEES (TEMPATAN) SDN BHD - PAMB FOR PRULINK EQUITY FUND	36,105,363	0.94
13	CITIGROUP NOMINEES (TEMPATAN) SDN BHD - GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	31,094,689	0.81
14	AMANAHRAYA TRUSTEES BERHAD - AMANAH SAHAM BUMIPUTERA 2	31,000,000	0.81
15	CITIGROUP NOMINEES (TEMPATAN) SDN BHD - URUSHARTA JAMAAH SDN. BHD. (1)	29,247,500	0.77
16	CITIGROUP NOMINEES (TEMPATAN) SDN BHD - EMPLOYEES PROVIDENT FUND BOARD (AHAM AM)	27,585,456	0.72
17	AMANAHRAYA TRUSTEES BERHAD - PUBLIC ISLAMIC DIVIDEND FUND	27,544,439	0.72
18	PERMODALAN NASIONAL BERHAD	27,134,700	0.71
19	CARTABAN NOMINEES (ASING) SDN BHD - EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	26,463,100	0.69
20	AMANAHRAYA TRUSTEES BERHAD - PUBLIC ITTIKAL SEQUEL FUND	25,464,293	0.67
21	MAYBANK NOMINEES (TEMPATAN) SDN BHD - MAYBANK TRUSTEES BERHAD FOR PUBLIC ITTIKAL FUND (N14011970240)	25,000,000	0.65
22	CARTABAN NOMINEES (TEMPATAN) SDN BHD - PBTB FOR TAKAFULINK DANA EKUITI	18,137,329	0.47
23	PERTUBUHAN KESELAMATAN SOSIAL	17,819,845	0.47
24	HSBC NOMINEES (ASING) SDN BHD - JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	16,168,378	0.42
25	CARTABAN NOMINEES (TEMPATAN) SDN BHD - PRUDENTIAL ASSURANCE MALAYSIA BERHAD FOR STRATEGIC FUND	16,037,392	0.42
26	HSBC NOMINEES (ASING) SDN BHD - JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	15,101,498	0.40
27	AMANAHRAYA TRUSTEES BERHAD - PUBLIC ISLAMIC EQUITY FUND	14,678,441	0.38
28	PERTUBUHAN KESELAMATAN SOSIAL - PKSACT41969 P2	14,140,000	0.37
29	AMANAHRAYA TRUSTEES BERHAD - PUBLIC ISLAMIC SELECT ENTERPRISES FUND	12,808,611	0.34
30	CITIGROUP NOMINEES (TEMPATAN) SDN BHD - EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	12,645,600	0.33
	TOTAL	**2,799,386,601**	**73.24**

LIST OF TOP TEN PROPERTIES

For the financial year ended 31 December 2022

No.	Location	Description & Existing Use	Year of Acquisition or Revaluation	Tenure (Freehold or Leasehold)	Land Area/ Built-Up Area (Sq. M)	Age of Building (Years)	Net Book Value (RM Million)
1.	TM Complex Cyberjaya Lingkaran Teknokrat Timur 63000 Cyberjaya Selangor	Land with building/ Office & Data Center	2012	Freehold	95,827/ 44,733	20	268.0
2.	TM One Iskandar Putri Data Centre (IPDC) 2, Lingkaran Teknologi 1 Taman Teknologi Nusajaya 79250 Nusajaya Johor	Land with building/ Data Center	2019	Freehold	31,970/ 29,375	4	211.2
3.	TM Annexe 2 Jalan Pantai Baharu 59100 Kuala Lumpur	Office Tower	2007	Leasehold (expiring on 23 October 2072)	876/ 26,875	16	51.6
4.	TM Bukit Mahkamah Jalan Raja Chulan 50200 Kuala Lumpur	Land with building/ Office	2018	Freehold	6,841/ 14,066	25	37.4
5.	TM Annexe 1 Lengkok Pantai Baharu 59100 Kuala Lumpur	Office Tower	2005	Leasehold (expiring on 23 October 2072)	909/ 18,562	17	36.7
6.	TM Pekeliling Sek 63, Lorong Kuda Off Jalan Tun Razak 50450 Kuala Lumpur	Land with building/ Exchange (telecommunication building)	2012	Freehold	3,275/ 6,781	19	35.5
7.	Menara TM Melaka (MITC) 2, Jalan Wisma Negeri 75450 Ayer Keroh Melaka	Office Tower	2004	Leasehold 99 Years (expiring on 7 March 2103)	18,290/ 22,956	14	34.0
8.	TM TTDI Ibusawat Telekom Taman Tun Dr. Ismail Wilayah Persekutuan 60000 Kuala Lumpur	Land with building/ Exchange (telecommunication building)	2012	Freehold	6,632/ 2,744	33	24.3
9.	TM Kelana Jaya Jalan SS6/3 47301 Petaling Jaya Selangor	Land with building/ Exchange (telecommunication building)	2012	Freehold	8,596/ 14,240	19	23.7
10.	TM Bukit Nanas 2, Jalan Punchak Off Jalan P. Ramlee 50250 Kuala Lumpur	Land	2012	Freehold	3,571	-	23.1

NET BOOK VALUE OF LAND & BUILDINGS

as at 31 December 2022

No.	Location	Freehold		Leasehold		Other Land*		Excepted Land**		Net Book Value of Land*** (RM million)	Net Book Value of Buildings (RM million)
		No. of Lots	Area ('000 sq ft)	No. of Lots	Area ('000 sq ft)	No. of Lots	Area ('000 sq ft)	No. of Lots	Area ('000 sq ft)		
1.	Federal Territory										
	a. Kuala Lumpur	26	1,528	7	714	1	114	-	-	237.4	1,003.0
	b. Labuan	-	-	6	511	-	-	-	-	0.6	3.3
	c. Putrajaya	-	-	-	-	-	-	-	-	-	7.3
2.	Selangor	10	9,943	21	1,385	2	144	69	6,072	525.2	326.9
3.	Perlis	-	-	3	35	-	-	9	678	0.1	3.0
4.	Perak	4	17	21	969	2	149	83	5,040	4.2	35.8
5.	Pulau Pinang	3	5,015	16	929	-	-	24	5,826	4.7	24.0
6.	Kedah	20	517	13	922	-	-	45	2,866	22.4	40.3
7.	Johor	6	490	32	1,566	6	155	91	6,270	56.1	65.5
8.	Melaka	2	3	23	2,049	-	-	20	3,588	14.6	86.6
9.	Negeri Sembilan	4	160	12	417	2	155	47	1,840	36.8	15.1
10.	Terengganu	-	-	16	809	-	-	41	5,648	0.5	25.6
11.	Kelantan	-	-	16	708	-	-	35	2,050	0.5	8.9
12.	Pahang	1	40	29	2,118	5	429	60	5,887	3.8	33.8
13.	Sabah	-	-	14	184	4	162	35	2,634	3.6	45.0
14.	Sarawak	4	46	29	986	10	400	75	7,769	18.6	42.7
15.	Hong Kong	-	-	-	-	-	-	-	-	-	65.9
	TOTAL	**80**	**17,759**	**258**	**14,302**	**32**	**1,708**	**634**	**56,168**	**929.1**	**1,832.7**

* The title deeds pertaining to other land have not yet been registered in the name of the Company. Pending finalisation with the relevant authorities, the lands have not been classified according to their tenure and land areas are based on estimation.

** Excepted land are lands situated outside the Federal Territory which are either alienated land, reserved land owned by the Federal Government or land occupied, used, controlled and managed by the Federal Government for federal purposes (in Melaka, Pulau Pinang, Sabah and Sarawak) as set out in Section 3(2) of the Telecommunication Services (Successor Company) Act, 1985. The Government has agreed to lease these lands to Telekom Malaysia Berhad for a term of 60 years with an option to renew, under article 85 and 86 of the Federal Constitution.

*** Includes land held for property development and land held for sale of a wholly-owned subsidiary.

USAGE OF PROPERTIES
as at 31 December 2022

No.	Location	Exchanges/ Data Centres	Transmission Stations	Office Buildings	Residential	Stores/ Warehouses	Satellite/ Submarine Cable Stations	Resort	TMpoint/ Business Centre	University/ Training College	Telecom-munications/ Tourism Tower
1.	Federal Territory										
	a. Kuala Lumpur	13	2	6	4	-	-	-	-	1	-
	b. Labuan	1	-	1	-	-	2	-	-	-	-
2.	Selangor	76	8	6	7	3	-	-	3	1	-
3.	Perlis	8	1	1	2	1	-	-	1	-	-
4.	Perak	85	10	3	12	2	-	-	4	1	-
5.	Pulau Pinang	40	1	3	4	2	1	1	4	-	-
6.	Kedah	44	7	1	3	2	-	1	3	-	1
7.	Johor	91	11	3	3	2	1	-	2	-	-
8.	Melaka	29	1	1	1	1	2	-	2	1	-
9.	Negeri Sembilan	45	8	3	2	-	-	-	2	-	-
10.	Terengganu	44	4	2	3	2	-	-	2	1	-
11.	Kelantan	30	2	2	4	2	-	-	-	-	-
12.	Pahang	56	14	2	11	1	3	4	-	-	-
13.	Sabah	46	18	1	3	2	3	1	4	-	-
14.	Sarawak	76	24	2	8	2	3	-	3	1	-
15.	Hong Kong	1	-	-	-	-	-	-	-	-	-


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