

FINANCIAL INFORMATION ON THE CELCOM GROUP (Cont'd)

(iv) Lease liabilities

As at 31 December 2021, the Celcom Group's total lease liabilities is set out below:

	As at 31 December 2021
	RM'000
Lease liabilities	
Current	440,580
Non-Current	2,869,295
Total	3,309,875
Within 1 year	440,580
Between 1 to 2 years	439,640
Between 2 to 3 years	430,926
Between 3 to 4 years	414,472
Between 4 to 5 years	401,392
More than 5 years	1,182,865
Total	3,309,875

The Celcom Group leases office building, retail outlets and site space for installing network equipment on telecommunication structures. Rental contracts are typically for an initial term of between 3 to 30 years (inclusive of secondary terms). Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions.

2.6 Capital expenditure and material acquisitions and divestitures

(i) Capital expenditure

The following table sets out a breakdown of the Celcom Group's capital expenditure for the financial years indicated:

	FYE 31 December		
	2019	2020	2021
	RM'000	RM'000	RM'000
Telecommunications network & IT equipment	971,553	965,546	1,020,458
Furniture fittings, office equipment, motor vehicles and renovations	45,884	18,587	11,790
Total capital expenditure	1,017,437	984,133	1,032,248

To provide better mobile data experience for Celcom's customers, Celcom has consistently incurred capital expenditure primarily for its mobile network enhancements, both for capacity and coverage during the FYE 31 December 2019 to 2021.

Additionally, Celcom has carried out significant upgrading works on its offices and facilities since 2018, as part of Celcom's rebranding and digitalisation efforts. The Celcom Group spent approximately RM30.0 million as part of its capital expenditure between 2018 and 2021 to renovate 38 facilities that are either owned or rented by Celcom. Such renovation works have been fully completed in 2021.

The Celcom Group funded its capital expenditure through cash flow from operations.

Celcom's general policy with respect to investments in new services and technologies is driven primarily by customer demand, product innovation, the degree and timing of technological changes in the industry, overall performance of the economy, changes in the regulatory environment and the competitive dynamics of the various lines of business.

FINANCIAL INFORMATION ON THE CELCOM GROUP (Cont'd)

(ii) Material acquisitions and divestitures

There were no material acquisitions or divestitures during the FYE 31 December 2019, 2020 and 2021. For acquisitions or divestitures from 1 January 2022, please refer to the Section 2.18 of Appendix III of this Circular.

2.7 Capital commitments and other contractual obligations
(i) Capital commitments

Outstanding commitments at the statement of financial position date not provided for in the financial statements are as follows:

	As at the LPD
	RM'000
Capital expenditure for PPE	
Approved and contracted for	968,944
Approved but not contracted for	280,067
Total	1,249,011

The Celcom Group's capital commitments for both approved and contracted for and approved but not contracted for as at the LPD comprises capital expenditure mainly for mobile network enhancement for capacity and coverage.

Other than mobile network enhancement which are constantly being undertaken by the Celcom Group to maintain and improve its network capacity and coverage, the Celcom Group does not have any other material plans.

The Celcom Group plans to meet its capital commitments through its cash on hand, as well as cash generated from future operations and funding from other financing activities (if required).

Save as disclosed above, as at the LPD, the Celcom Group does not have any other material capital commitments incurred or known to be incurred by the Celcom Group that may have a material impact on its financial results. Please also refer to Section 6 of Appendix I of this Circular for material commitment incurred by the Celcom Group for the proposed subscription of new DNB Shares and DNB Rights to Allotment subsequent to the LPD.

(ii) Other contractual obligations

Other than the repayment obligations under the leases and borrowings of the Celcom Group, the Celcom Group did not have any other contractual obligations during the FYE 31 December 2019, 2020 and 2021.

2.8 Material litigation, claims and arbitration

As at the LPD, save as disclosed in Section 8 of Appendix I of this Circular, Celcom's Directors have confirmed that it is not engaged in any governmental, legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings that may have a material or significant effect on its financial position or profitability in the 12 months immediately preceding the date of this Circular.

FINANCIAL INFORMATION ON THE CELCOM GROUP (Cont'd)

2.9 Contingent liabilities

As at the LPD, save as disclosed below, Celcom's Directors have confirmed that there are no contingent liabilities which, upon becoming enforceable, may have a material adverse effect on its financial performance and position:

(i) TSDTR and Bistamam's Counterclaim for Main Suit 1

As at the LPD, the value of the claim and potential exposure to liability in relation to the TSDTR and Bistamam's Counterclaim for Main Suit 1 amounts to approximately RM7,215 million.

(ii) TSDTR and Bistamam's Counterclaim for Main Suit 2

As at the LPD, the value of the claim and potential exposure to liability in relation to the TSDTR and Bistamam's Counterclaim for Main Suit 2 amounts to approximately RM7,215 million.

Further details of the TSDTR and Bistamam's Counterclaim for Main Suit 1 and TSDTR and Bistamam's Counterclaim for Main Suit 2 are set out in Section 8 of Appendix I of this Circular.

2.10 Key financial ratios

The following table sets out the Celcom Group's key financial ratios for the financial years indicated:

	FYE 31 December		
	2019	2020	2021
Current ratio ⁽¹⁾	0.6	0.8	0.6
Gearing ratio ⁽²⁾	23.7	27.6	32.1
Net gearing ratio ⁽³⁾	21.8	22.8	26.2
Trade receivables turnover period ⁽⁴⁾ (days)	74	62	55
Payables turnover period ⁽⁵⁾ (days)	184	175	169

Notes:

- (1) *Computed based on current assets divided by current liabilities.*
- (2) *Computed based on total interest bearing borrowings (including lease liabilities) divided by total equity.*
- (3) *Computed based on net interest bearing borrowings (including lease liabilities) divided by total equity.*
- (4) *Computed based on average trade receivables and contract assets net of provision for impairment as at the beginning and end of the financial year divided by total revenue less prepaid revenue for such financial year, multiplied by the number of days in the financial year.*
- (5) *Computed based on average trade payables, amounts due to related companies, provision for long term incentives, other payables and accrued expenses (excluding regulatory payables) as at the beginning and end of the financial year divided by the operating expenses (excluding regulatory expenses and adjustment/reversal of non-recurring item) and capital expenditure for such year, multiplied by the number of days in the financial year. Regulatory expenses are universal service provision contribution and business license. The turnover period was computed based on total payables to ensure all major expenses to generate revenue (including, among others, network expenses and capital expenditures) are being captured.*

FINANCIAL INFORMATION ON THE CELCOM GROUP (Cont'd)

(i) Current ratio

The Celcom Group's current ratio was fairly consistent over the three years. The slight movement over the years was mainly due to short term borrowings which are classified as short term based on the maturity date of the borrowings. The Celcom Group's current ratio was less than one time throughout the financial years under review of FYE 31 December 2019 to FYE 31 December 2021, as it was in a net current liability position throughout the given three-year period. Moving forward, this is expected to continue primarily due to dividend payouts and the capital intensive nature of its business.

(ii) Gearing ratio

The Celcom Group maintained a gearing ratio of between 23.7 times to 32.1 times from FYE 31 December 2019 to FYE 31 December 2021. The Celcom Group has a high gearing ratio due to its smaller equity base as compared to other listed telecommunication players in Malaysia, further details are set out in Note (1) of the table entitled "Selected financial information from the historical consolidated statements of financial position", Section 1 of Appendix III of this Circular. Furthermore, the Celcom Group leases most of its telecommunication towers and these tower leases are recognised as lease liabilities. Notwithstanding the high gearing ratio, the Celcom Group has sufficient working capital to sustain its operations.

The Celcom Group's gearing ratio increased from 23.7 times as at 31 December 2019 to 27.6 times as at 31 December 2020, and further to 32.1 times as at 31 December 2021, primarily due to the decrease in equity during the financial years due to dividend payments.

(iii) Net gearing ratio

The Celcom Group's net gearing ratio increased from 21.8 times as at 31 December 2019 to 22.8 times as at 31 December 2020, and further to 26.2 times as at 31 December 2021, primarily due to the decrease in equity during the financial years due to dividend payments.

(iv) Trade receivables turnover period

The Celcom Group's trade receivables turnover period was 74 days, 62 days and 55 days for the FYE 31 December 2019, 2020 and 2021, respectively. The decline in trade receivables turnover period from FYE 31 December 2019 to 2021 was driven by improved credit management, as Celcom implemented a more stringent process in its offerings of device bundles and phone instalments. Additionally, there was increased use of online channel by Celcom customers to perform transactions such as online payment of bills and managing direct debit, which facilitate Celcom's collection of receivables. As at 31 December 2021, the Celcom Group had RM693.8 million in trade receivables and contract assets net of loss allowance, which comprised primarily of amounts owed to the Celcom Group by its customers. The Celcom Group typically extends a credit term of up to 30 to 45 days.

In assessing the need for impairment for trade receivables, the Celcom Group assess the expected credit losses based on the payment profiles of sales over a period of 24 months before reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. With that, expected loss rate is derived and the gross carrying amount of the trade receivables are adjusted to reflect the expected credit losses.

FINANCIAL INFORMATION ON THE CELCOM GROUP (Cont'd)

Ageing analysis

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Celcom Group's maximum exposure to credit risk on these assets:

	<u>Current</u> <u>RM'000</u>	<u>> 30</u> <u>days</u> <u>RM'000</u>	<u>> 60</u> <u>days</u> <u>RM'000</u>	<u>> 90</u> <u>days</u> <u>RM'000</u>	<u>> 120</u> <u>days</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>
As at 31 December 2021:						
Expected loss rate*	9.7% - 19.9%	18.8% - 30.2%	62.8% - 63.8%	95.0% - 99.6%	95.0% - 99.6%	
Gross carrying amount						
– trade receivables	597,823	64,875	16,099	14,233	173,252	866,282
– contract assets	226,810	-	-	-	-	226,810
Loss allowance						
– trade receivables	(148,330)	(11,211)	(3,977)	(12,273)	(136,453)	(312,244)
– contract assets	(87,091)	-	-	-	-	(87,091)
Carrying amount	<u>589,212</u>	<u>53,664</u>	<u>12,122</u>	<u>1,960</u>	<u>36,799</u>	<u>693,757</u>
As at the LPD:						
Trade receivables settled (RM'000)	(419,348)	(64,472)	(14,432)	(9,530)	(79,632)	(587,414)
Trade receivables settled (% of total trade receivables)	70.1%	99.4%	89.6%	67.0%	46.0%	67.8%
Trade receivables outstanding (RM'000)	178,475	403	1,667	4,703	93,620	278,868
Contract assets settled (RM'000)	(87,000)	-	-	-	-	(87,000)
Contract assets settled (% of total trade receivables)	38.4%	-	-	-	-	38.4%
Contract assets outstanding (RM'000)	139,810	-	-	-	-	139,810

Note:

* The expected loss rate comprises trade receivable and contract assets customers with different risk profiles and excludes individual specific loss rate.

FINANCIAL INFORMATION ON THE CELCOM GROUP (Cont'd)

(v) Payables turnover period

Payables include trade payables, amount due to related companies that are trade in nature, other payables, accrued expenses and provision for long term incentives as at the end of the financial year. The turnover period was computed based on total payables to ensure all major expenses to generate revenue (including, among others, network expenses and capital expenditures) are being captured. The credit period typically granted to the Celcom Group by its suppliers ranges from 30 to 45 days. However, as payables include accrued expenses, the payables turnover period is longer than the credit period.

The Celcom Group's payables turnover period decreased to 169 days for the FYE 31 December 2021 from 175 days for the FYE 31 December 2020 primarily due to higher purchases of devices in FYE 31 December 2021. The average credit term granted by devices vendors, based on normal market practice, is within 30 days from the invoice date. This credit term is typically shorter as compared to the credit term of other major vendors.

The Celcom Group's payables turnover period decreased to 175 days for the FYE 31 December 2020 from 184 days for the FYE 31 December 2019. This was primarily due to an arrangement with a vendor in 2018 to defer payment beyond the standard credit term. No interest was charged for the deferred amount and the Celcom Group has fully settled all amounts under this arrangement in 2019.

Ageing analysis

The following table sets out the ageing analysis for the Celcom Group's total payables as at 31 December 2021 and the LPD:

	<u>1 - 30 days</u>	<u>31 - 120 days</u>	<u>More than 120 days</u>	<u>Total</u>
As at 31 December 2021:				
Payables (RM'000) ⁽¹⁾	584,257	468,874	1,163,614	2,216,745 ⁽²⁾
% of total payables	26.4%	21.2%	52.5%	100.0%
As at the LPD:				
Payables settled (RM'000)	(545,951)	(453,050)	(673,011)	(1,672,012)
Payables settled (% of total payables)	93.4%	96.6%	57.8%	75.4%
Payables outstanding (RM'000)	38,306	15,824	490,603	544,733

Notes:

- (1) *Comprises trade payables, amount due to related companies that are trade in nature, other payables, accrued expenses and provision for long term incentives.*
- (2) *Of which RM1,438.0 million are accrued payable which are not past due.*

The Celcom Group endeavours to pay its suppliers within the credit periods granted to it to ensure its supplies are not disrupted. As at the LPD, the Celcom Group did not have any material disputes in respect of its trade payables and there have been no material legal proceedings initiated by the Celcom Group's suppliers against the Celcom Group to demand payment.

2.11 Off-balance sheet arrangements

The Celcom Group did not have any off-balance sheet arrangements during the FYE 31 December 2019, 2020 and 2021.

FINANCIAL INFORMATION ON THE CELCOM GROUP (Cont'd)

2.12 Financial risk management

The Celcom Group is exposed to certain financial risks arising from its operations and the use of financial instruments. The key financial risks include market risks (foreign exchange risk, fair value interest rate risk, cash flow interest rate risk), credit risk and liquidity risk. As at the LPD, the Celcom Group does not have any derivative or hedging transactions to manage any of its market risks.

Celcom's Board has overall responsibility for the oversight of financial risk management, including the identification of operational and strategic risks, and subsequent action plans to manage these risks. Celcom's management is responsible for identifying, monitoring and managing its risk exposures, and reviews and agrees on the policies and procedures for the management of these risks.

The Celcom Group's overall financial risk management programme focuses on the unpredictability of financial markets and it seeks to minimise potential adverse effects on its financial performance. Financial risk management is carried out through regular management monitoring and risk management process to ensure that an appropriate balance of risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Celcom's activities. Guidelines for authority levels and exposure limits are in place to prevent unauthorised transactions.

The Celcom Group's key financial risks are as follows:

(i) Market risks
(i) Foreign exchange risk

Foreign exchange risk arises mainly from the Celcom Group's operational purchase of services and capital expenditure.

The Celcom Group is not exposed to significant foreign exchange risk on its operating activities as most transactions and balances are denominated in Ringgit Malaysia except for certain cash and bank balances, receivables and payables which are denominated in USD.

The Celcom Group does not use derivative financial instruments to protect against the volatility associated with foreign currency transactions. Exposure to foreign currency risk is continuously monitored to keep the net exposure at an acceptable level.

At 31 December 2021, if the currency had weakened/strengthened by 10.0% against the USD with all other variables held constant, the effects on profit after tax arising from the net financial liability/asset position will be as follows:

	As at 31 December 2021 RM'000
USD against RM	
Strengthened	(330)
Weakened	330

FINANCIAL INFORMATION ON THE CELCOM GROUP (Cont'd)

(ii) Fair value and cash flow interest rate risk

The Celcom Group's debt comprises mainly fixed-rate notes and shareholder loans taken by its subsidiaries to finance its operations. Such borrowings expose it to fair value interest rate risk respectively. The Celcom Group does not use financial derivatives to hedge against the interest rate risk. Management monitors the Celcom Group's interest rate profile on an ongoing basis. As at 31 December 2021, the Celcom Group had no significant exposure to interest rate risk.

(ii) Credit risk

The Celcom Group's credit risks mainly arise from trade receivables, contract assets, other receivables, deposits and cash and bank balances.

Trade receivables and contract assets

Credit risks are minimised and monitored via limiting the Celcom Group's dealings with creditworthy customers. Credit risk of the Celcom Group is managed through formalised policy on credit assessment and approvals, credit limits and monitoring procedures. The Celcom Group has no significant concentration of credit risk from trade receivables and contract assets due to its diverse customer base.

Other receivables

The Celcom Group's credit risk also arises from other receivables including amounts due from related companies, deposits and others. The credit risk is managed through monitoring procedures.

Deposits, cash and bank balances

The Celcom Group places its cash at banks, deposits under Islamic principles and deposits with licensed banks with creditworthy financial institutions. The Celcom Group's policies limit the concentration of financial exposure to any single financial institution.

The maximum credit risk exposure of financial assets of the Celcom Group are approximately their carrying amounts as at the end of the reporting period.

(iii) Liquidity risk

Liquidity risk is the risk that the Celcom Group will not be able to meet its financial obligations as they fall due. In the management of liquidity risk, the Celcom Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the operations and where required, mitigate the effects of fluctuation in cash flows.

Additionally, the Celcom Group manages its liquidity risk on a collective basis via its central treasury function. The Celcom Group invests surplus cash in interest bearing current accounts, time deposits and money market deposits choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room.

As at 31 December 2021, the Celcom Group had RM3.3 billion of undiscounted financial liabilities due on demand or within one year.

Notwithstanding the above, in December 2021, the Malaysian Rating Corporation Berhad had affirmed the Sukuk Murabahah Programme rating to be AA+ with a stable outlook. The Sukuk Murabahah programme was launched on 29 August 2012 and the unutilised amount is approximately RM3,850 million as at the LPD.

FINANCIAL INFORMATION ON THE CELCOM GROUP (Cont'd)

2.13 Treasury policy and objectives

The Celcom Group's treasury responsibilities are to ensure that the Celcom Group has sufficient liquidity and cash to meet financial obligations when it falls due. The Celcom Group's principal sources of liquidity are its cash and bank balances, cash generated from its operations, shareholder loan and borrowings from financial institutions.

The Celcom Group maintains a prudent borrowing policy which is aimed towards maintaining sufficient cash for all cash flow requirements and managing debt within the relevant time buckets to maturity and keeping an adequate amount of credit facilities. With a series of appropriate governance and policies in place, it is the responsibility of treasury to identify, quantify, monitor, and control the risks (liquidity, interest, credit, legal and regulatory) associated with these activities.

The Celcom Group prepares monthly forecasts taking into account all major transactions to ensure it has sufficient liquidity and cash to meet its obligation. Any excess funds, which are temporary in nature, will be invested in highly liquid investment instruments such as interest bearing current accounts, time deposits and money market deposits. On a quarterly basis, the Celcom Group performs rolling twelve-month cash flow projections to ensure that requirements are identified as early as possible, and it has sufficient cash to meet operational needs. Such projections take into consideration the Celcom Group's financing plans and are also used for monitoring of external loans' covenant compliance.

2.14 Inflation

Inflation has not had a material impact on the Celcom Group's business, financial condition or results of operations for the FYE 31 December 2019, 2020 and 2021. However, inflation may affect the Celcom Group's financial performance by increasing certain of its expenses. Any increase in the inflation rate beyond levels experienced in the past may affect the Celcom Group's operations and financial performance if it is unable to fully offset higher costs through increased revenue.

2.15 Government / economic / fiscal / monetary policies

Similar to all other business entities, the Celcom Group is subject to general risks relating to adverse developments in government, economic, fiscal or monetary policies or factors in Malaysia or overseas, which may materially and adversely affect its operations and financial condition. Please refer to Section 6.3(m) of Part A of this Circular for further details of the risk relating to changes in government, economic, fiscal or monetary policies or factors, which is a risk generally applicable to Telcos operating in Malaysia.

2.16 Order book

Due to the nature of Celcom's business, it does not maintain an order book.

2.17 Trends information

Save as disclosed in this Section and in Sections 5 and 6 of Part A and Appendix II of this Circular, to the best of Celcom Board's knowledge and belief, there are no other known trends, uncertainties, demands, commitments, or events that are likely to have a material effect on the Celcom Group's financial condition and results of operations.

FINANCIAL INFORMATION ON THE CELCOM GROUP (Cont'd)**2.18 Significant changes**

No significant changes have occurred since 31 December 2021 which may have a material effect on the Celcom Group's financial position and results of operations other than as follows:

- (a) acquisition and subscription of a total of 51.0% equity interest in Bridgenet Solutions Sdn Bhd for a total cash consideration of RM36.1 million; and
- (b) acquisition and subscription of a total of 60.0% equity interest in Infront Consulting Group (M) Sdn Bhd for a total cash consideration of RM5.5 million.

The acquisitions of Bridgenet Solutions Sdn Bhd and Infront Consulting Group (M) Sdn Bhd are not expected to have any material effect on Celcom Group's NA and earnings for financial year ending 31 December 2022.

- (c) Celcom accepted an offer from MCMC for the 2x10MHz spectrum in the 2600MHz band. The Company had paid an upfront fee for the assigned spectrum of RM11.76 million on 11 February 2022. The effective period for the spectrum commences 1 July 2022 for a period of 5 years and an annual fee component of RM20.76 million is payable throughout the validity of the spectrum assignment; and
- (d) In March 2021, the Government first announced DNB as the special purpose vehicle to be the sole owner and operator of 5G network in Malaysia until 2031 and provide equal access wholesale 5G services to licensed Telcos under SWN model. On 16 March 2022, the Government further announced that Malaysia will proceed with its 5G rollout via the SWN model operated by DNB. The Government has also announced that it will offer up to 70% equity in DNB to Telcos and retain the remaining 30% stake.

As disclosed in Section 6 of Appendix I of this Circular, Celcom Mobile had on 7 October 2022 entered into a conditional share subscription agreement with DNB for the subscription of the (i) 100,000 new DNB Shares and (ii) 178,471,429 DNB Rights to Allotment for a total cash consideration of RM178.57 million.

Upon completion of the conditional share subscription agreement with DNB and if the Proposed Merger is completed by 30 June 2023, the Celcom Group will hold 12.5% of the enlarged issued and paid-up share capital of DNB. In the event that the proposed merger is not completed by 30 June 2023, the subscription of DNB Rights to Allotment shall be increased by 5% to 291,566,667 at an additional cash consideration of RM113.10 million which will result in the Celcom Group holding 17.5% of the enlarged issued and paid-up share capital of DNB.

Celcom Mobile intends to enter into a shareholders' agreement with the existing shareholder and other new investors of DNB by the completion date of the conditional share subscription agreement with DNB.

2.19 Accounting standards issued that are not yet effective

For a description of accounting standards that are issued but not yet effective and not adopted, see Note A(b) of "Summary of Significant Accounting Policies" of the Accountants' Report in Appendix VIII of this Circular.

2.20 Exchange controls

During the FYE 31 December 2019 to FYE 31 December 2021, the Celcom Group has not established any place of business outside of Malaysia. In January 2022, Celcom acquired Infront Consulting Group (M) Sdn Bhd, which has a foreign subsidiary incorporated in Singapore which is a non-material subsidiary to Celcom Group. There are no governmental laws decrees, regulations and or other requirements which may affect repatriation of capital and remittance of profit by the foreign subsidiary to Malaysia. However, such repatriation of capital and the remittance of profits may be subject to withholding taxes (if any) as may be imposed by Singapore from time to time.

FINANCIAL INFORMATION ON THE CELCOM GROUP (Cont'd)

3. DIRECTORS' REPORT ON THE CELCOM GROUP


Date: 17 October 2022

The Board of Directors
Digi.Com Berhad

Dear Sir/Madam,

DIRECTORS' REPORT

On behalf of the Board of Directors of Celcom Axiata Berhad (“**Celcom**”) (“**Board**”), I wish to report after due enquiry by the Board that for the period between 31 December 2021, being the date to which the last audited financial statements of Celcom and its subsidiary companies (“**Celcom Group**”) have been made up and the date herein, being the date not earlier than 14 days before the date of issue of this Circular:

- (i) the business of Celcom Group has, in the opinion of the Board, been satisfactorily maintained;
- (ii) in the opinion of the Board, no circumstances have arisen since the last audited financial statements of Celcom Group which have adversely affected the trading or value of the assets of Celcom Group;
- (iii) the current assets of Celcom Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (iv) save as disclosed in Section 2.9 of Appendix III of this Circular, there are no contingent liabilities by reason of any guarantee or indemnity given by Celcom Group;
- (v) there has been no default or any known event that could give rise to a default situation, on payments of either interest and/or principal sums for any borrowing since the last audited financial statements of Celcom Group; and
- (vi) save as disclosed in Section 2.18 and 4 of Appendix III of this Circular, there has been no material change in the published reserves or any unusual factor affecting the profits of Celcom Group since the last audited financial statements of Celcom Group.

Yours faithfully,

For and on behalf of the Board of Directors of
Celcom Axiata Berhad

Datuk Mohamad Idham Nawawi
Chief Executive Officer/Executive Director

FINANCIAL INFORMATION ON THE CELCOM GROUP (Cont'd)

4. UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION OF CELCOM GROUP FOR THE 6 MONTHS ENDED 30 JUNE 2022



CELCOM AXIATA BERHAD
Company No.198801000113 (167469-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		
	FOR THE SIX MONTHS ENDED	
	<u>30/6/2022</u>	<u>30/6/2021</u>
	RM'000	RM'000
Revenue	3,338,374	3,274,038
Other income	37,775	45,026
Operating expenses		
- Depreciation of property, plant and equipment	(380,812)	(689,023)
- Depreciation of right-of-use assets	(220,313)	(200,983)
- Cost of inventories and services	(474,162)	(479,543)
- Billing charges from other telecommunications companies	(186,058)	(214,785)
- Marketing, advertising and promotion expenses	(149,793)	(186,158)
- Staff costs	(293,982)	(267,731)
- Universal service provision contribution	(133,174)	(134,716)
- Reversal of impairment/(Provision for impairment) of trade and other receivable	14,484	(28,315)
- Other operating expenses	(641,531)	(670,114)
Profit from operations	<u>910,808</u>	<u>447,696</u>
Finance income	27,912	34,179
Finance costs	(156,912)	(172,683)
Share of results of associated company (net of tax)	8,087	3,531
Share of results of joint ventures (net of tax)	-	(712)
Profit before taxation	<u>789,895</u>	<u>312,011</u>
Taxation and zakat	(240,760)	(65,832)
Profit for the financial period	<u>549,135</u>	<u>246,179</u>
Other comprehensive expense (net of tax):		
- Currency translation differences	(139)	-
Total comprehensive income for the financial period	<u><u>548,996</u></u>	<u><u>246,179</u></u>

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

FINANCIAL INFORMATION ON THE CELCOM GROUP (Cont'd)



CELCOM AXIATA BERHAD
Company No.198801000113 (167469-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)		
	FOR THE SIX MONTHS ENDED	
	<u>30/6/2022</u> RM'000	<u>30/6/2021</u> RM'000
Profit for the financial period attributable to:		
- Owner of the Company	542,043	240,086
- Non-controlling interest	7,092	6,093
Profit for the financial period	<u>549,135</u>	<u>246,179</u>
Total comprehensive for the financial period attributable to:		
- Owner of the Company	541,985	240,086
- Non-controlling interest	7,011	6,093
Total comprehensive income for the financial period	<u>548,996</u>	<u>246,179</u>
Basic earnings per share (sen) attributable to owners	<u>44</u>	<u>19</u>

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

FINANCIAL INFORMATION ON THE CELCOM GROUP (Cont'd)



CELCOM AXIATA BERHAD
Company No.198801000113 (167469-A)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
	<u>30/6/2022</u>	<u>31/12/2021</u>
	RM'000	RM'000
	Unaudited	Audited
NON-CURRENT ASSETS		
Property, plant and equipment	4,518,273	4,343,942
Right-of-use assets	2,781,258	2,973,553
Investment in associated company	148,615	140,528
Intangible assets	785,247	779,516
Derivative financial instrument	43,342	43,342
Deferred tax assets	223,059	226,045
Trade and other receivables	604,840	473,537
	<u>9,104,634</u>	<u>8,980,463</u>
CURRENT ASSETS		
Trade and other receivables	1,295,872	1,071,308
Inventories	79,953	61,935
Financial assets at fair value through profit or loss	24	26
Tax recoverable	84,238	91,408
Deposits, cash and bank balances	1,844,068	1,385,534
	<u>3,304,155</u>	<u>2,610,211</u>
CURRENT LIABILITIES		
Borrowings	646,012	642,782
Trade and other payables	3,005,497	2,952,786
Tax liabilities	108,918	11
Lease liabilities	443,578	440,580
	<u>4,204,005</u>	<u>4,036,159</u>
Net current liabilities	<u>(899,850)</u>	<u>(1,425,948)</u>
	<u><u>8,204,784</u></u>	<u><u>7,554,515</u></u>

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

FINANCIAL INFORMATION ON THE CELCOM GROUP (Cont'd)



CELCOM AXIATA BERHAD
Company No.198801000113 (167469-A)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)		
	<u>30/6/2022</u> RM'000 Unaudited	<u>31/12/2021</u> RM'000 Audited
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	1,237,535	1,237,535
Accumulated losses	(707,810)	(1,091,449)
Translation reserves	(58)	-
Total equity attributable to owners of the Company	<u>529,667</u>	<u>146,086</u>
Non-controlling interests	112,884	87,719
TOTAL EQUITY	<u>642,551</u>	<u>233,805</u>
NON-CURRENT LIABILITIES		
Borrowings	3,552,478	3,550,000
Deferred tax liabilities	558,347	485,792
Provision for liabilities	172,283	175,366
Deferred income	586,264	240,257
Trade and other payables	19,797	-
Lease liabilities	2,673,064	2,869,295
Total non-current liabilities	<u>7,562,233</u>	<u>7,320,710</u>
	<u>8,204,784</u>	<u>7,554,515</u>

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

FINANCIAL INFORMATION ON THE CELCOM GROUP (Cont'd)



CELCOM AXIATA BERHAD
Company No.198801000113 (167469-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2022							
	Attributable to equity holders of the Company						
	Share capital '000	Share capital RM'000	Translation reserve RM'000	Accumulated losses RM'000	Total RM'000	NCI RM'000	Total Equity RM'000
At 1 January 2022	1,237,535	1,237,535	-	(1,091,449)	146,086	87,719	233,805
Profit for the financial period	-	-	-	542,043	542,043	7,092	549,135
Other comprehensive expense (net of tax)							
- Currency translation Differences	-	-	(58)	-	(58)	(81)	(139)
Total comprehensive income	-	-	(58)	542,043	541,985	7,011	548,996
Transactions with owners:							
- New investments in subsidiaries		-	-	-	-	22,676	22,676
- Dividends paid	-	-	-	(158,404)	(158,404)	-	(158,404)
- Dividends to NCI	-	-	-	-	-	(4,522)	(4,522)
Total transactions with owners	-	-	-	(158,404)	(158,404)	18,154	(140,250)
At 30 June 2022	1,237,535	1,237,535	(58)	(707,810)	529,667	112,884	642,551
At 1 January 2021	1,237,535	1,237,535	-	(1,015,397)	222,138	77,345	299,483
Total comprehensive income for the financial period	-	-	-	240,086	240,086	6,093	246,179
Transactions with owners:							
- Dividends to NCI	-	-	-	-	-	(3,102)	(3,102)
At 30 June 2021	1,237,535	1,237,535	-	(775,311)	462,224	80,336	542,560

NCI - Non-controlling

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

FINANCIAL INFORMATION ON THE CELCOM GROUP (Cont'd)



CELCOM AXIATA BERHAD
Company No.198801000113 (167469-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS		
	FOR THE SIX MONTHS ENDED	
	<u>30/6/2022</u>	<u>30/6/2021</u>
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	789,895	312,011
Adjustments for:		
Depreciation of property, plant and equipment ("PPE")	380,812	689,023
Depreciation of right-of-use assets	220,313	200,983
Fair value loss/(gain) on financial assets at fair value through profit or loss	2	(5)
(Reversal of)/Provision for inventories obsolescence	(5,025)	5,087
Amortisation of intangible assets	91,051	91,051
(Reversal of impairment)/Provision for impairment of trade and other receivables	(14,484)	28,315
Amortisation of government grant	(33,043)	(35,761)
Unrealised gain on foreign exchange	(499)	(350)
Finance costs	156,912	172,683
Finance income	(27,912)	(34,179)
Share of results of associated company (net of tax)	(8,087)	(3,531)
Share of results of joint ventures (net of tax)	-	712
	1,549,935	1,426,039
Increase in inventories	(12,993)	(82,831)
Decrease in receivables	95,465	56,732
(Decrease)/Increase in payables	(69,429)	998
Cash generated from operating activities	1,562,978	1,400,938
Taxes paid	(48,848)	(75,296)
Net cash generated from operating activities	1,514,130	1,325,642

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

FINANCIAL INFORMATION ON THE CELCOM GROUP (Cont'd)



CELCOM AXIATA BERHAD
Company No.198801000113 (167469-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)		
FOR THE SIX MONTHS ENDED		
	<u>30/6/2022</u>	<u>30/6/2021</u>
	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Government grant received	29,670	14,755
Spectrum payment	(11,760)	-
Interest received	27,912	31,651
Purchase of property, plant and equipment	(547,637)	(372,193)
Acquisition of new subsidiaries	(17,681)	-
Dividend from associated company	-	5,262
Investment in deposits maturing more than three (3) months	(119,368)	(421,682)
Net cash used in investing activities	<u>(638,864)</u>	<u>(742,207)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(83,632)	(95,953)
Payment for the principal portion of the lease liabilities	(221,901)	(196,936)
Payment for the interest portion of the lease liabilities	(70,681)	(76,458)
Dividend paid to shareholder	(158,404)	-
Dividends paid to non-controlling interest	(4,522)	(3,102)
Repayment of borrowings	(6,947)	-
Drawdown of borrowings	7,294	-
Net cash used in financing activities	<u>(538,793)</u>	<u>(372,449)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	336,473	210,986
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	1,385,534	1,452,693
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>1,722,007</u>	<u>1,663,679</u>
Reconciliation of cash and cash equivalents to deposit, cash and bank balances are as follow:		
Deposits, cash and bank balances	1,844,068	2,085,361
Less:		
Deposits maturing more than three (3) months	(122,061)	(421,682)
	<u>1,722,007</u>	<u>1,663,679</u>

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

FINANCIAL INFORMATION ON THE CELCOM GROUP (Cont'd)



CELCOM AXIATA BERHAD
Company No.198801000113 (167469-A)

**PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL
 REPORTING STANDARDS 134**

1. Basis of Preparation

The condensed consolidated interim financial information of Celcom Axiata Berhad (the “Company”) and its subsidiaries (the “Group”) have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134 “Interim Financial Reporting”, International Accounting Standards 34 “Interim Financial Reporting” and Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The condensed consolidated interim financial information is unaudited and should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2021 (“2021 Audited Financial Statements”).

2. Accounting Policies

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

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

The above did not have any material impact to the Group during the six months ended 30 June 2022.

3. Seasonal or Cyclical Factors

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

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

There was no unusual item affecting assets, liabilities, equity, net income or cash flows due to their nature, size or incidence for the financial period ended 30 June 2022.

5. Estimates

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

There were no changes in estimates of amounts reported in prior financial years that may have a material effect in the six months ended 30 June 2022.

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

FINANCIAL INFORMATION ON THE CELCOM GROUP (Cont'd)



CELCOM AXIATA BERHAD
Company No.198801000113 (167469-A)

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

There were no other significant issues, repurchases and repayments of debt and equity securities during the financial period ended 30 June 2022.

7. Dividends Paid

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

Date of payment	Description	Per ordinary share	Total
		Sen	RM'000
8 April 2022	Tax exempt dividend under single tier in respect of financial year ending 31 December 2022	12.8	158,404

8. Segment reporting

Segment reporting is not presented as the Group is primarily engaged in the provision of mobile communication services and its related products in Malaysia.

9. Valuation of PPE

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

10. Acquisitions of PPE

During the financial period ended 30 June 2022, the Group acquired additional PPE amounting to RM548.5 million mainly for its telecommunication network equipment and capital work in progress.

11. Events after the Interim Period

There was no significant event after interim period that requires disclosure and/or adjustment as at 7 October 2022 other than the following:

- On 17 August 2022, the Board of Directors had declared an interim single-tier tax exempt dividend of 25.86 sen per ordinary share in respect of the financial year ending 31 December 2022 to its sole shareholder, Axiata Group Berhad amounting to a total dividend payout of RM320.3 million.
- On 29 August 2022, Celcom Networks fully repaid its Sukuk Murabahah Series 6 and 9 of RM400.0 million and RM200.0 million via a new short-term revolving credit (STRC-i) facility of RM450.0 million and internally generated funds of RM150.0 million upon maturity. The Sukuk Series 6 and 9 carried coupon rates of 4.20% and 4.85% per annum (payable semi-annually) and had a tenure of 10 and 5 years from the date of issuance respectively.

FINANCIAL INFORMATION ON THE CELCOM GROUP (Cont'd)

**CELCOM AXIATA BERHAD**
Company No.198801000113 (167469-A)**11. Events after the Interim Period (continued)**

There was no significant event after interim period that requires disclosure and/or adjustment as at 7 October 2022 other than the following: (continued)

- In March 2021, the Government of Malaysia (the "Government") first announced Digital Nasional Berhad ("DNB") as the special purpose vehicle to own, implement and manage 5G infrastructure and provide equal access wholesale 5G services to licensed telecommunications companies ("telcos") under Single Wholesale Network ("SWN") model. On 16 March 2022, the Government further announced that Malaysia will proceed with its 5G rollout via the SWN model operated by DNB. The Government has also announced that it will offer up to 70% equity in DNB to telcos and retain the remaining 30% stake.

On 7 October 2022, Celcom Mobile Sdn Bhd ("CMSB"), a wholly-owned subsidiary of the Company, has entered into a conditional Share Subscription Agreement ("SSA") with DNB for the subscription by CMSB of (i) 100,000 ordinary shares in DNB ("Subscription Shares") for the sum of RM100,000 and (ii) 178,471,429 Rights to Allotment ("Subscription Rights to Allotment") for the sum of RM178,471,429 (collectively, the "Subscription Price").

Each Right to Allotment will entitle CMSB to have the right to allotment of one ordinary shares in DNB with certain rights as set out in the SSA (including the same rights as accorded to the holder of ordinary shares in DNB) as if ordinary shares relating to the Right of Allotment has been allotted, issued and registered in the name of CMSB in the register of members of DNB.

Upon completion of the SSA and if the proposed merger as detailed in Part B, Note 4(a) is completed by 30 June 2023, the Group will hold 12.5% of the enlarged issued and paid-up share capital of DNB. In the event that the proposed merger is not completed by 30 June 2023, the subscription rights to allotment of ordinary shares shall be increased by 5% to 291,566,668 at a subscription price of RM291,566,668 which will result in the Group holding 17.5% of the enlarged issued and paid-up share capital of DNB.

The Company intends to enter into a shareholders' agreement with the existing shareholder and other new investors of DNB by the completion date of the SSA.

FINANCIAL INFORMATION ON THE CELCOM GROUP (Cont'd)



CELCOM AXIATA BERHAD
Company No.198801000113 (167469-A)

12. Effects of Changes in the Composition of the Group**(a) Acquisition of Equity Interest in Infront Consulting Group (M) Sdn Bhd (“Infront Malaysia”)**

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

- (i) a conditional Share Purchase Agreement dated 26 August 2021 (“Infront Malaysia SPA”) entered into between Celcom and Redynamics Asia Sdn Bhd (“Vendor”) for the proposed acquisition of 258,115 Infront Malaysia shares from the Vendor for a total cash consideration of RM4.0 million, comprising an initial payment of RM2.0 million subject to adjustments in accordance with the terms of the Infront Malaysia SPA and deferred payments of RM2.0 million upon certain profit guarantee targets being achieved;
- (ii) a conditional Share Subscription Agreement dated 26 August 2021 (“SSA2”) entered into between Celcom as investor, Infront Malaysia as issuer and the Vendor for the proposed subscription by Celcom of 104,712 new Infront Malaysia shares at a subscription price of RM1.5 million; (hereinafter referred to as the “Proposed Infront Malaysia Acquisition”).

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

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

The acquisition above did not have material impact to the Group during the financial period ended 30 June 2022.

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

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

- (i) a conditional Share Subscription Agreement dated 15 November 2021 (“Share Subscription Agreement”) entered into between Celcom, Bridgenet Solutions as issuer and Pang Cheng Hing, Leong Kin Man, Loy Kuang Haow and Queenie Lee Wei Leng (collectively known as “Existing Shareholders”) for the proposed subscription by Celcom of 565,289 new Bridgenet Solutions’ shares at a subscription price of RM15.6 million. As a result of the issuance of the subscriptions shares, Bridgenet Solutions’ issued ordinary shares will increase to 2,565,289 shares (“Enlarged Share Capital”);
- (ii) a conditional Share Sale Agreement dated 15 November 2021 (“SSA1”) entered into between Celcom and Existing Shareholders for the proposed acquisition of 743,008 of Enlarged Share Capital from the Existing Shareholders for a total cash consideration of RM20.5 million subject to adjustments in accordance with the terms of the SSA1; (hereinafter referred to as the “Proposed Bridgenet Solutions Acquisition”).

FINANCIAL INFORMATION ON THE CELCOM GROUP (Cont'd)

**CELCOM AXIATA BERHAD**
Company No.198801000113 (167469-A)**12. Effects of Changes in the Composition of the Group (continued)****(b) Acquisition of Equity Interest in Bridgenet Solutions Sdn Bhd (“Bridgenet Solutions”)
(continued)**

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

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

The acquisition above did not have material impact to the Group during the financial period ended 30 June 2022.

Other than the above, there was no other change in the composition of the Group for the financial period ended 30 June 2022.

13. Significant Changes in Contingent Assets or Contingent Liabilities

Other than as disclosed in Note 17 of this report, there was no other significant change in contingent assets or contingent liabilities of the Group from that disclosed in the 2021 Audited Financial Statements.

FINANCIAL INFORMATION ON THE CELCOM GROUP (Cont'd)



CELCOM AXIATA BERHAD
Company No.198801000113 (167469-A)

14. Capital Commitments

As at	Group	
	30 June 2022	31 December 2021
	RM'000	RM'000
Commitments in respect of expenditure approved and contracted for	968,563	829,609

15. Related Party Transactions

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

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

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

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

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

FINANCIAL INFORMATION ON THE CELCOM GROUP (Cont'd)



CELCOM AXIATA BERHAD
Company No.198801000113 (167469-A)

15. Related Party Transactions (continued)

Total amount that the Group entered into with identified related parties for the respective financial period ended 30 June are as follows:

	Six Months Ended	
	30 June 2022	30 June 2021
	RM'000	RM'000
	Transactions	
<u>Sale of goods and services:</u>		
Related companies:		
- Interconnect and roaming charges	3,078	8,773
- Telecommunication services	13,569	12,129
Joint ventures companies		
- Sale of telecommunication services to joint ventures	123,804	141,799
<u>Purchase of services:</u>		
Holding company		
- Services recharged	9,092	5,942
Related companies		
- Interconnect and roaming charges	3,720	10,460
- Infrastructure related lease, site rental and services	317,252	307,525
- Marketing and content	5,957	10,701
- Information technology services	26,746	8,871
- Tower enhancement services	14,983	5,348
- Revenue sharing	409	-
Associated company		
- Leased line and maintenance fees	18,923	20,102
- Others	29,867	23,936
Joint ventures companies		
- Revenue sharing	-	660
<u>Interest charged:</u>		
- Interest income on advances to immediate holding company	2,848	8,805
- Interest expense on shareholder's loan	41,061	41,060

FINANCIAL INFORMATION ON THE CELCOM GROUP (Cont'd)



CELCOM AXIATA BERHAD
Company No.198801000113 (167469-A)

15. Related Party Transactions (continued)

	30 June 2022	31 Dec 2021
	RM'000	RM'000
	Balances	
<u>Receivables from:</u>		
Holding company	-	5,580
Related companies	24,267	3,917
Joint ventures companies	27,120	20,064
<u>Payables to:</u>		
Holding company	10,803	-
Related companies	257,645	294,161

16. Financial Instruments at Fair Value Measurements

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

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

The Group measured the financial instruments based on:

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

The Group's financial instruments were grouped as below:

Financial instruments	30 June 2022				31 December 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Assets</u>								
Financial assets at FVTPL:								
-Trading securities	24	-	-	24	26	-	-	26
Derivatives		43,342	-	43,342	-	43,342	-	43,342
Total	24	43,342	-	43,366	26	43,342	-	43,368

FINANCIAL INFORMATION ON THE CELCOM GROUP (Cont'd)



CELCOM AXIATA BERHAD
Company No.198801000113 (167469-A)

17. Material Litigation

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

- (a) Celcom Malaysia Berhad (now known as Celcom Axiata Berhad) & Technology Resources Industries Berhad (now known as Celcom Resources Berhad) vs Tan Sri Dato' Tajudin Ramli & 6 others ("Conspiracy Suit")

In 2008, Celcom Malaysia Berhad (now known as Celcom Axiata Berhad) ("Celcom") and Technology Resources Industries Berhad (now known as Celcom Resources Berhad) ("Celcom Resources") initiated a claim against 5 of its former directors, namely (i) Tan Sri Dato' Tajudin Ramli ("TSDTR"), (ii) Dato' Bistamam bin Ramli ("DBR"), (iii) Dato' Lim Kheng Yew ("DLKY"), (iv) Axel Hass ("AH"), and (v) Oliver Tim Axmann ("OTA") (the Defendants named in items (iv) and (v) are collectively referred to as the "DeTeAsia representatives"), as well as DeTeAsia Holding GmbH ("DeTeAsia"), and Beringin Murni Sdn Bhd ("collectively with the DeTeAsia representatives referred to as the Defendants") for conspiring with each other to injure Celcom and Celcom Resources by causing and/or committing them to enter into various agreements in relation to certain rights issue shares in Celcom Resources. Celcom and Celcom Resources are seeking damages for conspiracy against the Defendants. Celcom and Celcom Resources reached an amicable settlement with DLKY and the said companies filed their respective notice of discontinuance with no order as to costs and without liberty to file afresh against DLKY on 6 March 2015.

On 15 November 2021, Celcom and Celcom Resources reached an amicable settlement with DeTeAsia including the DeTeAsia representatives. The settlement was entered into without any admission of liability by the parties and pursuant to the above, Celcom and Celcom Resources filed their respective notice of discontinuance with no order as to costs and without liberty to file afresh against DeTeAsia and the DeTeAsia representatives. The Company has also received the settlement amount as at 31 December 2021.

Two (2) of the Defendants, TSDTR and DBR filed a counterclaim against Celcom and Celcom Resources seeking among others, payment of the sum of RM6,246.5 million or alternatively the sum of RM7,214.9 million together with interest, for damages for breach of an alleged global settlement involving, inter alia, the present action, and also for conspiracy and misrepresentation in inducing TSDTR to withdraw a counterclaim in another suit. Full trial of the case commenced on 22 January 2018. The trial against TSDTR and DBR for the Conspiracy Suit is still ongoing at the High Court level. Oral submissions by parties against TSDTR and DBR was heard by the Kuala Lumpur High Court on 20 April 2022. The Kuala Lumpur High Court has vacated the hearing date fixed on 7 June 2022. The hearing date has been fixed on 13 December 2022.

The Directors, based on legal advice received, are of the view that Celcom and Celcom Resources' prospects of successfully defending TSDTR and DBR's counterclaim for the Conspiracy Suit are reasonably good and that the Celcom and Celcom Resources do not expect there to be any outflow of resources embodying economic benefits in respect of the counterclaim.

Potential exposure: RM7,215 million.

FINANCIAL INFORMATION ON THE CELCOM GROUP (Cont'd)



CELCOM AXIATA BERHAD
Company No.198801000113 (167469-A)

17. Material Litigation (continued)

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

(b) Celcom & Celcom Resources vs TSDTR & 8 others ("Indemnity Suit")

In 2006, Celcom and Celcom Resources initiated a claim against 9 of its former directors, (namely (i) TSDTR, (ii) Bistamam, (iii) DLKY, (iv) Dieter Sieber ("DS"), (v) Frank-Reinhard Bartsch ("FRB"), (vi) Joachim Gronau, (vii) Joerg Andreas Boy ("JAB"), (viii) AH, and (ix) OTA, (the Defendants named in items (iv) to (ix) collectively referred to as the "DeTeAsia representatives") ("collectively referred to as Defendants") seeking inter alia, for indemnity in respect of the sums paid out to DeTe Asia under the Award dated 2 August 2005 handed down by the Tribunal of the International Court of Arbitration of the International Chamber of Commerce in Paris and damages for breach of their fiduciary duties. Celcom and Celcom Resources reached an amicable settlement with DLKY and the said companies filed their respective notice of discontinuance with no order as to costs and without liberty to file afresh against DLKY on 6 March 2015.

On 15 November 2021, Celcom and Celcom Resources reached an amicable settlement with DeTeAsia including the DeTeAsia representatives. The settlement was entered into without any admission of liability by the parties and pursuant to the above, Celcom and Celcom Resources filed their respective notice of discontinuance with no order as to costs and without liberty to file afresh against DeTeAsia and the DeTeAsia representatives. The Company has also received the settlement amount as at 31 December 2021.

Two (2) of the Defendants, TSDTR and DBR filed a counterclaim against Celcom and Celcom Resources seeking among others, payment of the sum of RM6,246.5 million or alternatively the sum of RM7,214.9 million together with interest, for damages for breach of an alleged global settlement involving, inter alia, the present action, and also for conspiracy and misrepresentation in inducing TSDTR to withdraw a counterclaim in another suit. Full trial of the case commenced on 22 January 2018 and is still on-going at the High Court level. The trial against TSDTR and DBR in relation to the Indemnity Suit is still ongoing at the High Court level. Oral submissions by parties against TSDTR and DBR was heard by the Kuala Lumpur High Court on 20 April 2022. The Kuala Lumpur High Court has vacated the hearing date fixed on 7 June 2022. The hearing date has been fixed on 13 December 2022.

The Directors, based on legal advice received, are of the view that Celcom and Celcom Resources' prospects of successfully defending TSDTR and DBR's counterclaim for the Indemnity Suit are reasonably good and that the Celcom and Celcom Resources do not expect there to be any outflow of resources embodying economic benefits in respect of the counterclaim.

Potential exposure: RM7,215 million.

FINANCIAL INFORMATION ON THE CELCOM GROUP (Cont'd)



CELCOM AXIATA BERHAD
Company No.198801000113 (167469-A)

18. Revenue

	Six Months Ended	
	30/6/2022	30/6/2021
	RM'000	RM'000
<u>Disaggregation of revenue from contracts with customers under MFRS 15:</u>		
Goods or services transferred:		
- at a point in time	342,892	363,184
- over time	2,962,938	2,878,975
	3,305,830	3,242,159
Lease Income	32,544	31,879
Total Revenue	3,338,374	3,274,038

19. Other Disclosures

	Six Months Ended	
	30/6/2022	30/6/2021
	RM'000	RM'000
(Reversal of)/Provision for inventories obsolescence	(5,025)	5,087

Other than those items disclosed in the unaudited condensed consolidated statement of comprehensive income, there were no material gains/losses on disposal of investments, properties and assets during six months ended 30 June 2022.

FINANCIAL INFORMATION ON THE CELCOM GROUP (Cont'd)

**CELCOM AXIATA BERHAD**
Company No.198801000113 (167469-A)**20. Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed by management to be sufficient to finance the operations and where required, mitigate the effects of fluctuations in cash flows.

The Group was in a net current liability position of RM899.9 million as at 30 June 2022. This was mainly attributable to Sukuk Series 6 and Sukuk Series 9 totaling RM625.2 million and RM443.6 million lease liabilities due within 1 year. The Sukuk programme was launched on 29 August 2012 and to date RM6,500 million has been raised under this programme. RM1,750 million remained outstanding as at 30 June 2022. The Group was in compliance with the Sukuk's covenants as at the end of the reporting period. In December 2021, the Malaysian Rating Corporation Berhad affirmed the Sukuk Murabahah Programme rating to be AA+ with a stable outlook-

The Group has obtained a new short-term revolving credit (STRC-i) facility of RM450 million on 29 August 2022 to repay its Sukuk Murabahah. To date, out of the total Sukuk Murabahah Programme of RM5.0 billion, RM3.85 billion is available under the Sukuk Murabahah Programme subject to terms and conditions to be agreed with investors. Whenever necessary, the Group will consider other short-term funding facilities for working capital purposes.

Celcom Group's net cash flow generated from operating activities for the financial years ended 31 December 2019, 31 December 2020, 31 December 2021 and the six months ended 30 June 2022 was RM2,023.3 million, RM2,741.7 million, RM2,911.8 million and RM1,514.1 million respectively. In addition, Celcom Group's deposits, cash and bank balances as at 30 June 2022 was RM1,844.1 million.

In view of the above, the Group is expected to attain sufficient cash flows to sustain its operations and meet its obligations including capital commitments set out in Part A, Note 14 as and when they fall due in the next twelve months from the end of the reporting period.

FINANCIAL INFORMATION ON THE CELCOM GROUP (Cont'd)



CELCOM AXIATA BERHAD
Company No.198801000113 (167469-A)

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

1. Review of Performance

	Current Year to Date	Preceding Year Corresponding Period	Variance	
	30/06/2022	30/06/2021		
	RM'000	RM'000	RM'000	%
Revenue	3,338,374	3,274,038	64,336	2.0%
EBITDA	1,506,711	1,333,616	173,095	13.0%
PAT	549,135	246,179	302,956	123.1%
PATAMI	542,043	240,086	301,957	125.8%

Revenue increased by 2.0% to RM3,338.4 million, mainly driven by growth in prepaid business coupled with contribution from new subsidiaries, partially offset by lower device sales and interconnect revenue. EBITDA improved by RM173.1 million, representing a 13.0% increase mainly due to higher revenue and contained operating costs. PAT increased by more than 100% to RM549.1 million as there was accelerated depreciation of 3G assets amounting to RM174.2 million, net of tax for the period ended 30 June 2021. Excluding this, PAT would have increased by 30.6%, attributed to higher top lines, partially offset by higher taxes.

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

The Group has not provided any profit forecast or profit guarantee in a public document in respect of the financial period ended 30 June 2022.

3. Taxation

The taxation charge for the Group comprises:

	Six Months Ended	
	30/6/2022	30/6/2021
	RM'000	RM'000
Income tax	165,219	15,419
Deferred tax	75,541	50,413
Total taxation	240,760	65,832

The financial period to date's effective tax rate of the Group is higher than the statutory tax rate mainly due to Prosperity Tax.

FINANCIAL INFORMATION ON THE CELCOM GROUP (Cont'd)



CELCOM AXIATA BERHAD
Company No.198801000113 (167469-A)

4. Status of Corporate Proposals**(a) Proposed Merger of Celcom Axiata Berhad (“Celcom”) and Digi.com Berhad (“Digi”)**

On 8 April 2021, Axiata Group Berhad (“Axiata”), holding company of Celcom announced that Axiata and Telenor Asia Pte Ltd (“Telenor Asia”) (collectively, the “Parties”) are in advanced discussions to undertake a merger of the telco operations of Celcom and Digi (a company listed on the Main Market of Bursa Malaysia Securities Berhad), in which Axiata and Telenor Asia will have equal ownership of the combined entity (“MergeCo”) estimated at 33.10% each (“Proposed Merger”).

On 21 June 2021, Axiata announced that the Parties have successfully concluded the due-diligence exercise and signed the following agreements for the Proposed Merger:

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

On the closing of the SPA, Axiata intends to enter into a shareholders’ agreement with Telenor Asia and Telenor to establish the respective rights and obligations of the parties with respect to the activities and governance of MergeCo as well as ownership and disposition of the securities in MergeCo (“SHA”).

(The SPA, MTA and the agreed form of the SHA are collectively referred to as the “Transaction Agreements”).

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

On 28 June 2022, Malaysian Communications and Multimedia Commission (“MCMC”) has issued to Celcom and Digi Telecommunications Sdn Bhd, a Notice of No Objection (“Notice”) dated 28 June 2022. The Notice was issued further to MCMC’s completion of its assessment of the Proposed Merger and Celcom and Digi’s application for authorisation of conduct on 16 June 2022 and notifies Celcom and Digi that MCMC does not object to the Proposed Merger. The Notice also states that MCMC has reviewed the undertakings offered by Celcom and Digi in connection with the application (“Undertaking”).

Celcom and Digi believe that the Undertaking fully addresses the issues identified by MCMC and ensures that consumers in Malaysia will continue to benefit from effective competition in mobile telecommunications services. The Undertaking includes:

1. Divestment of 70 MHz of MergeCo’s spectrum across 1800 MHz, 2100 MHz, and 2600 MHz, the first band to be returned to MCMC within 24 months after completion of the merger and the second and third bands to be returned within 36 months after completion of the merger;
2. Establishing a separate independent business unit for Mobile Virtual Network Operator (“MVNO”) wholesale business under MergeCo within 6 months after completion of the merger and ensuring continuity of access to wholesale services for MVNOs at terms no worse off than existing agreements;

FINANCIAL INFORMATION ON THE CELCOM GROUP (Cont'd)



CELCOM AXIATA BERHAD
Company No.198801000113 (167469-A)

4. Status of Corporate Proposals**(a) Proposed Merger of Celcom Axiata Berhad (“Celcom”) and Digi.com Berhad (“Digi”) (continued)**

Celcom and Digi believe that the Undertaking fully addresses the issues identified by MCMC and ensures that consumers in Malaysia will continue to benefit from effective competition in mobile telecommunications services. The Undertaking includes: (continued)

3. Divestment of Celcom’s “Yoodo” brand within the stipulated time after completion of the merger as committed to MCMC, which currently offers fully digital and customisable retail mobile plans to subscribers;
4. Enabling non-exclusive distributors in the Sabah, Sarawak, Kelantan, Pahang and Terengganu regions by the end of Year 3 after completion of the merger; and
5. Positioning the existing Digi and Celcom brands as products under a single MergeCo corporate brand by the end of Year 2 after completion of the merger.

On 15 September 2022, Securities Commission Malaysia (“SC”) has approved the proposed merger subject to Digi complying with the requirements of SC’s equity guidelines pertaining to the implementation of the proposed merger.

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

5. Group’s Borrowings and Debt Securities

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

	30 June 2022		31 December 2021	
	Current	Non-current	Current	Non-current
	RM'000	RM'000	RM'000	RM'000
Unsecured:				
Sukuks	625,216	1,150,000	624,969	1,150,000
Shareholder loans	17,704	2,400,000	17,813	2,400,000
	642,920	3,550,000	642,782	3,550,000
Secured:				
Term loan	483	2,478	-	-
Other short-term facilities	2,609	-	-	-
	3,092	2,478	-	-
Total	646,012	3,552,478	642,782	3,550,000

(b) All borrowings and debt securities are denominated in Ringgit Malaysia.

FINANCIAL INFORMATION ON THE CELCOM GROUP (Cont'd)



CELCOM AXIATA BERHAD
Company No.198801000113 (167469-A)

6. Outstanding Derivatives

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

Type of derivative financial instruments	30 June 2022	
	Notional value	Fair value
	RM'000	RM'000
Convertible warrants in an associate:		
> 12 months	43,342	43,342
Total	43,342	43,342

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

7. Fair Value Changes of Financial Liabilities

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

8. Earnings Per Share ("EPS")

	Six Months Ended	
	30/6/2022	30/6/2021
Profit attributable to owners of the Company (RM'000)	542,043	240,086
Adjusted weighted average number of ordinary shares ('000) in issue	1,237,535	1,237,535
Basic EPS (sen)	44	19

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

Diluted EPS is not applicable to the Company.

9. Qualification of Preceding Audited Financial Statements

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

10. Dividend Proposed

On 6 April 2022, the Board of Directors have declared a tax-exempt interim dividend under single tier system of 12.8 sen per ordinary share of the Company in respect of financial year ending 31 December 2022. The dividend was paid on 8 April 2022.

By Order of the Board

The unaudited condensed consolidated interim financial information of the Group has been approved for issue in accordance with a resolution of the Board of Directors of Celcom Axiata Berhad on 7 October 2022.

RELATED PARTY TRANSACTIONS OF THE CELCOM GROUP

1. RELATED PARTY TRANSACTIONS

1.1 Material related party transactions entered into by Celcom Group (“Material RPT”)

Save as disclosed below, there are no other Material RPTs entered into by the Celcom Group which involves the interest, direct or indirect, of the directors and major shareholders of Celcom and/or persons connected with them for the FYE 31 December 2019, 2020, 2021 and up to the LPD:

(i) Celcom Group’s transactions with edotco Group

Nature of relationship	Nature of transaction	FYE		FYE	Between 1
		31 December	31 December		
		2019	2020	2021	up to the LPD
		RM'000	RM'000	RM'000	RM'000
(1) edotco Group Sdn Bhd is a 63.00%-owned subsidiary of Axiata.	Cost				
(2) Khazanah, through its wholly-owned subsidiary, Mount Bintang Ventures Sdn Bhd, holds 10.57% interest in edotco Group Sdn Bhd	Infrastructure leasing and related services including managed and field maintenance services by edotco Group to the Celcom Group	623,357	578,507	652,537	505,059
(3) Post completion of the Proposed Merger, Axiata will become a substantial shareholder of MergeCo. Khazanah, through its 36.74% interest in Axiata, will also be an indirect substantial shareholder of MergeCo		Represents 11.1% of the Celcom Group's operating expenses and finance costs on lease payment	Represents 10.8% of the Celcom Group's operating expenses and finance costs on lease payment	Represents 11.7% of the Celcom Group's operating expenses and finance costs on lease payment	
(4) Tan Sri Dr. Halim Shafie, the proposed Chair and Non-Independent Non-Executive Director of MergeCo, is currently an Independent Non-Executive Director of Axiata	Infrastructure and civil works	38,511	39,128	13,513	19,575
(5) Dr. Shridhir Sariputta Hansa Wijayasuriya, the proposed Non-Independent Non-Executive Director of MergeCo, is currently the CEO of Telecommunications Business & Group Executive Vice President of Axiata. He is also currently the interim Joint Acting Group CEO of Axiata together with Mr Vivek Sood, the Group Financial Officer of Axiata since 1 June 2022		Represents 3.8% of the Celcom Group's capital expenditure	Represents 4.0% of the Celcom Group's capital expenditure	Represents 1.3% of the Celcom Group's capital expenditure	
(6) Thayaparan S Sangarapillai, the proposed Non-Independent Non-Executive Director of MergeCo is currently the Independent Non-Executive Director of Axiata					

RELATED PARTY TRANSACTIONS OF THE CELCOM GROUP (Cont'd)

The above transactions between the Celcom Group and edotco Group are recurrent in nature. The following material contracts were entered into by Celcom Group and edotco Group to set out the terms and conditions of the relevant transactions:

- (a) Master Services Agreement dated 23 May 2018 between CNSB and On Site Services Sdn Bhd;
- (b) Strategic Collaboration Agreement dated 29 September 2017 between edotco Malaysia Sdn Bhd and CNSB; and
- (c) Access Agreement dated 29 September 2017 between CNSB and edotco to be read together with a letter dated 8 December 2017 issued by edotco to Celcom.

Please refer to Annexure C of this Circular for the salient terms of the above material contracts.

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RELATED PARTY TRANSACTIONS OF THE CELCOM GROUP (Cont'd)

(ii) Celcom Group's transactions with Axiata Business Services Sdn Bhd ("ABS") and its subsidiaries ("ABS Group")

Nature of relationship	Nature of transaction	FYE	FYE	FYE	Between 1
		31 December 2019	31 December 2020	31 December 2021	January 2022 up to the LPD
		RM'000	RM'000	RM'000	RM'000
(1) ABS is a wholly-owned subsidiary of Axiata	Revenue	54,025	40,657	12,988	2,985
(2) Post completion of the Proposed Merger, Axiata will become a substantial shareholder of MergeCo. Khazanah, through its 36.74% interest in Axiata, will also be an indirect substantial shareholder of MergeCo.	Provision of international carrier services by the Celcom Group to the ABS Group	Represents 0.8% of the Celcom Group's revenue	Represents 0.7% of the Celcom Group's revenue	Represents 0.2% of the Celcom Group's revenue	
(3) Tan Sri Dr. Halim Shafie, the proposed Chair and Non-Independent Non-Executive Director of MergeCo, is currently an Independent Non-Executive Director of Axiata	Cost	59,375	37,761	8,172	21
(4) Dr. Shridhir Sariputta Hansa Wijayasuriya, the proposed Non-Independent Non-Executive Director of MergeCo, is currently CEO of Telecommunications Business & Group Executive Vice President of Axiata. He is also currently the interim Joint Acting Group CEO of Axiata together with Mr Vivek Sood, the Group Financial Officer of Axiata since 1 June 2022. He is also a director of ABS.	Provision of international carrier services by the ABS Group to the Celcom Group	Represents 1.1% of the Celcom Group's operating expenses including finance costs on lease payment	Represents 0.7% of the Celcom Group's operating expenses including finance costs on lease payment	Represents 0.2% of the Celcom Group's operating expenses including finance costs on lease payment	
(5) Thayaparan S Sangarapillai, the proposed Non-Independent Non-Executive Director of MergeCo is currently the Independent Non-Executive Director of Axiata					

The above transactions between the Celcom Group and ABS Group are recurrent in nature.

Axiata Global Services Pte Ltd and Celcom entered into a Reciprocal Telecommunications Services Agreement on 1 August 2018 which sets out the terms and conditions of the relevant transaction. Please refer to Annexure C of this Circular for the salient terms of this material contract.

RELATED PARTY TRANSACTIONS OF THE CELCOM GROUP (Cont'd)

(iii) Celcom Group's transactions with Axiata Digital Services Sdn Bhd ("ADS") and its subsidiaries ("ADS Group")

Nature of relationship	Nature of transaction	FYE	FYE	FYE	Between 1 January 2022 up to the LPD
		31 December 2019	31 December 2020	31 December 2021	
		RM'000	RM'000	RM'000	RM'000
(1)	ADS is a 96.47%-owned subsidiary of Axiata.				
(2)	Post completion of the Proposed Merger, Axiata will become a substantial shareholder of MergeCo.	25,437	27,027	29,815	24,437
(3)	Tan Sri Dr. Halim Shafie, the proposed Chair and Non-Independent Non-Executive Director of MergeCo, is currently an Independent Non-Executive Director of Axiata	Represents 0.4% of the Celcom Group's revenue	Represents 0.4% of the Celcom Group's revenue	Represents 0.5% of Celcom Group's revenue	
(4)	Dr. Shridhir Sariputta Hansa Wijayasuriya, the proposed Non-Independent Non-Executive Director of MergeCo, is currently CEO of Telecommunications Business & Group Executive Vice President of Axiata. He is also currently the interim Joint Acting Group CEO of Axiata together with Mr Vivek Sood, the Group Financial Officer of Axiata since 1 June 2022.	18,980	48,848	18,966	7,292
(5)	Thayaparan S Sangarapillai, the proposed Non-Independent Non-Executive Director of MergeCo is currently the Independent Non-Executive Director of Axiata	Represents 0.3% of the Celcom Group's operating expenses including finance costs on lease payment	Represents 0.9% of the Celcom Group's operating expenses including finance costs on lease payment	Represents 0.3% of the Celcom Group's operating expenses including finance costs on lease payment	

The above transactions with the ADS Group are recurrent in nature. As at the LPD, the Celcom Group has not entered into any material contract with the ADS Group.

RELATED PARTY TRANSACTIONS OF THE CELCOM GROUP (Cont'd)

(iv) Celcom Group's transactions with TM and its subsidiaries ("TM Group")

Nature of relationship	Nature of transaction	FYE	FYE	FYE	Between 1 January 2022 up to the LPD
		31 December 2019	31 December 2020	31 December 2021	
		RM'000	RM'000	RM'000	RM'000
(1) TM is an associate of Khazanah	Revenue	140,279	80,974	84,756	26,486
(2) Post completion of the Proposed Merger, Khazanah, through its 36.74% interest in Axiata, will also be an indirect substantial shareholder of MergeCo	Provision of telecommunication and related services by the Celcom Group to the TM Group such as interconnect services and domestic roaming and provision of 4G Multi-Operator Core Network (MOCN)	Represents 2.1% of the Celcom Group's revenue	Represents 1.3% of the Celcom Group's revenue	Represents 1.3% of the Celcom Group's revenue	
	Cost	107,311	90,730	111,249	119,124
(a)	Provision of telecommunication and related services from the TM Group to the Celcom Group such as interconnect services, leased-line related services, provision of data and bandwidth related services	Represents 1.9% of the Celcom Group's operating expenses including finance costs on lease payment	Represents 1.7% of the Celcom Group's operating expenses including finance costs on lease payment	Represents 2.0% of the Celcom Group's operating expenses including finance costs on lease payment	
(b)	Site rental related charges payable for telecommunication infrastructure, equipment and related charges by the Celcom Group to the TM Group	44,000	45,178	44,000	32,441
		Represents 0.8% of the Celcom Group's operating expenses including finance costs on lease payment	Represents 0.8% of the Celcom Group's operating expenses including finance costs on lease payment	Represents 0.8% of the Celcom Group's operating expenses including finance costs on lease payment	

RELATED PARTY TRANSACTIONS OF THE CELCOM GROUP (Cont'd)

The above transactions between the Celcom Group and TM Group are recurrent in nature. The following material contracts were entered into by the Celcom Group and TM Group to set out the terms and conditions of the relevant transactions:

- (a) Access Agreement dated 1 January 2011 between TM and TMNet Sdn Bhd and Celcom, Celcom Transmission (M) Sdn Bhd (now known as Celcom Networks Sdn Bhd) and Celcom Mobile;
- (b) Wholesale Bandwidth Service Agreement dated 4 June 2014 between Telekom Malaysia Berhad and Celcom Networks Sdn Bhd, to be read together with the relevant supplemental agreements; and
- (c) 2G and/or 3G Domestic Roaming Services and 2G and/or 3G Domestic Roaming Facilities Agreement dated 28 January 2016 between Celcom, TM and Packet One Networks (Malaysia) Sdn Bhd (now known as Webe Digital Sdn Bhd), to be read together with the relevant supplemental agreements.

Please refer to Annexure C of this Circular for the salient terms of the above material contracts.

All of the above Material RPTs were transacted on an arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to third parties and are not detrimental to Celcom Group. In addition, there are no other Material RPTs that have been entered by the Celcom Group that involves the interest, direct or indirect, of the directors and major shareholders of Celcom and/or persons connected with them but not yet effected up to the date of this Circular.

In addition to the Material RPTs, Celcom Group has also entered into various related party transactions of trading or revenue nature with the Axiata Group. The nature of such transactions include but not limited to the following:

- (a) provision of interconnect & roaming services to/from the Axiata Group ("**Interconnect & Roaming**");
- (b) provision of IT related services from the Axiata Group;
- (c) provision of management services from the Axiata Group; and
- (d) provision of wholesale mobile broadband, voice and messaging services to an MVNO under the Axiata Group,

(collectively referred to as the "**Other RPTs**").

RELATED PARTY TRANSACTIONS OF THE CELCOM GROUP (Cont'd)

The aggregate value of Other RPTs between the Celcom Group and the Axiata Group for the FYE 31 December 2019, 2020, 2021 and up to the LPD are as follows:

Nature of transaction		FYE	FYE	FYE	Between 1
		31 December 2019	31 December 2020	31 December 2021	January 2022 up to the LPD
		RM'000	RM'000	RM'000	RM'000
Revenue interconnect roaming	from &	1,825	856	340	227
		Represents 0.03% of the Celcom Group's revenue	Represents 0.01% of the Celcom Group's revenue	Represents 0.01% of the Celcom Group's revenue	
Cost interconnect roaming	from &	49,519	26,284	10,176	5,793
		Represents 0.9% of the Celcom Group's operating expenses including finance costs on lease payment	Represents 0.5% of the Celcom Group's operating expenses including finance costs on lease payment	Represents 0.2% of the Celcom Group's operating expenses including finance costs on lease payment	
Purchases of IT services		-	17,572	14,480	10,488
			Represents 0.3% of the Celcom Group's operating expenses including finance costs on lease payment	Represents 0.3% of the Celcom Group's operating expenses including finance costs on lease payment	
Provision of IT development services		-	40,621	29,539	25,947
			Represents 4.1% of the Celcom Group's capital expenditure	Represents 2.9% of the Celcom Group's capital expenditure	
Managed service cost		14,025	10,858	13,469	9,299
		Represents 0.3% of the Celcom Group's operating expenses including finance costs on lease payment	Represents 0.2% of the Celcom Group's operating expenses including finance costs on lease payment	Represents 0.2% of the Celcom Group's operating expenses including finance costs on lease payment	
Revenue sharing paid to MVNO		4,352	1,161	1,163	666
		Represents 0.08% of the Celcom Group's operating expenses including finance costs on lease payment	Represents 0.02% of the Celcom Group's operating expenses including finance costs on lease payment	Represents 0.02% of the Celcom Group's operating expenses including finance costs on lease payment	

RELATED PARTY TRANSACTIONS OF THE CELCOM GROUP (Cont'd)

The Other RPTs were transacted on an arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to third parties and are not detrimental to Celcom Group. After completion of the Proposed Merger, MergeCo is expected to seek its shareholders' approval each time it enters into a material related party transaction in accordance with the Listing Requirements. However, if such related party transactions can be deemed as recurrent related party transactions, subject to the Listing Requirements, MergeCo may seek a general mandate from its shareholders to enter into these transactions without having to seek separate shareholders' approval each time it wishes to enter into such related party transactions during the validity period of the mandate.

In addition, upon the completion of the Proposed Merger, to safeguard the interest of the MergeCo Group and its minority shareholders, and to mitigate any potential conflict of interest situation, the Audit Committee of MergeCo is expected to, amongst others, supervise and monitor any recurrent transactions and the terms thereof and report to the Board of MergeCo for further action, as set out in Section 1.4(i) of Appendix IV of this Circular. Where necessary, the MergeCo's Board would make the appropriate disclosure in the MergeCo's annual report with regard to any recurrent transaction entered into by the MergeCo.

1.2 Related party transactions entered into that are unusual in their nature or conditions

There are no transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which Celcom Group was a party for the FYE 31 December 2019, 2020, 2021 and up to the LPD.

1.3 Material outstanding loans and/or financial assistance

Save as disclosed below, the Celcom Group has not provided or received any loans and/or financial assistance (including guarantees of any kind) for the benefit of a related party or Celcom for the FYE 31 December 2019, 2020, 2021 and up to the LPD:

(i) Advances made by Celcom Group to Axiata

Nature of transaction	FYE 31 December 2019	FYE 31 December 2020	FYE 31 December 2021	As at the LPD
The amount was extended by Celcom Group to Axiata as short term advances for working capital and investment purposes.	<u>Outstanding amount as at 31 December 2019</u> RM786.3 million	<u>Outstanding amount as at 31 December 2020</u> RM497.2 million	<u>Outstanding amount as at 31 December 2021</u> RM188.3 million	<u>Outstanding amount as at the LPD</u> Nil
The advances are unsecured, bearing interest rates of 3.05%.	<u>Interest income for FYE 31 December 2019</u> RM24.6 million	<u>Interest income for FYE 31 December 2020</u> RM21.8 million	<u>Interest income for FYE 31 December 2021</u> RM14.6 million	<u>Interest income for 1 January 2022 to the LPD</u> RM4.3 million

The above advances extended by Celcom Group to Axiata had been fully settled as at the LPD. These advances were transacted on arm's length basis and on normal commercial terms that are generally available to third-party as the interest rate charged by Celcom was determined after taking into consideration the overnight policy rate set by BNM at that point of time.

RELATED PARTY TRANSACTIONS OF THE CELCOM GROUP (Cont'd)

(ii) Shareholder loan received by the Celcom Group from Axiata

Pursuant to the CNSB Shareholder Loan Agreement dated 21 April 2021, Axiata has extended a Mudharabah facility of RM2.4 billion to CNSB to meet the refinancing requirements of CNSB. The CNSB Shareholder Loan was issued in two tranches:

- (a) tranche 1 of RM1.2 billion was issued on 28 August 2020 with an expected profit rate of 3.3% per annum for a tenor of 10 years; and
- (b) tranche 2 of RM1.2 billion was issued on 27 November 2020 with an expected profit rate of 3.6% per annum for a tenor of 15 years.

Pursuant to the SPA, the CNSB Shareholder Loan of which the outstanding amount is approximately RM2,418.9 million (inclusive accrued profit) as at the LPD, is to be settled six (6) months after the completion of the Proposed Merger, or may be further extended for a further six (6) months by Axiata at its sole discretion, upon the request of Celcom Group, as set out in Section 2.9 of Part A of this Circular.

The CNSB Shareholder Loan was transacted on arm's length basis and on normal commercial terms that are generally available to third-party as the interest rate charged by Axiata was determined after taking into consideration the borrowing cost (including transaction cost) of Celcom should it seek debt financing.

1.4 Monitoring and oversight of related party transactions and conflict of interest situations

(i) Audit Committee review

After the completion of the Proposals, and after the setting up of the Audit Committee of MergeCo, the Audit Committee is expected to review related party transactions and conflicts of interest situations that may arise within the MergeCo Group, including any transaction, procedure or course of conduct that raises questions of management integrity. In reviewing the related party transactions, the following, among others, will be considered:

- (a) the rationale and the cost/benefit to the MergeCo Group is first considered;
- (b) where possible, comparative quotes will be taken into consideration;
- (c) that the transactions are based on normal commercial terms and not more favourable to the related parties than those generally available to third parties dealing on an arm's length basis; and
- (d) that the transactions are not detrimental to the MergeCo's minority shareholders.

All reviews by the Audit Committee will be reported to the Board of MergeCo for its further action.

(ii) The MergeCo Group's policy on related party transactions

The MergeCo Group is expected to continue implementing Digi's policy on related party transactions upon completion of the Proposed Merger. For Digi Group currently, related party transactions by their nature, involve conflicts of interest between our Group and the related parties with whom our Group has entered into such transactions. Some of the officers and the directors of our Group are also officers, directors and in some cases, shareholders of the related parties of our Group, and with respect to these related party transactions, may individually and in aggregate have conflict of interest. It is the policy of our Group currently that all related party transactions are carried out on normal commercial terms which are not more favourable to the related parties than those generally available to the public dealing at arm's length with our Group and are not to the detriment of our minority shareholders.

RELATED PARTY TRANSACTIONS OF THE CELCOM GROUP *(Cont'd)*

In addition, a comprehensive corporate governance framework is adopted to deal with any potential conflict of interest situations. The procedures which form part of the framework includes, among others, the following:

- (a) our Directors will be required to declare any direct or indirect interest that they may have in any business enterprise that is engaged in or proposed to be engaged in a transaction with our Group, whether or not they believe it is a material transaction. Upon such disclosure, the interested Directors shall be required to abstain from deliberation and voting on any resolution related to the related party transaction; and
- (b) all existing or potential related party transactions would have to be disclosed by the interested party for management reporting. Our management will propose the transactions to our Audit and Risk Committee for evaluation and assessment who would in turn, make a recommendation to our Board.

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INFORMATION ON DIGI/MERGEKO AND SELECTED FINANCIAL INFORMATION

1. DIGI

1.1 Information on Digi

Digi was incorporated in Malaysia on 28 March 1997 and is listed on the Main Market of Bursa Securities since 18 December 1997. The principal place of business of the Digi Group is located at Lot 10, Jalan Delima 1/1, Subang Hi-Tech Industrial Park, 40000 Shah Alam, Selangor Darul Ehsan.

The principal activity of Digi is investment holding. The principal activity of its wholly-owned subsidiary, Digi Tel, is the establishment, maintenance and provision of telecommunications and related services. Digi Tel has commenced business operations since 24 May 1995. The Digi Group's principal market for its services is Malaysia.

Digi Group currently serves over 10.72 million subscribers on its established network, as at 30 September 2022 of which 3.40 million of these subscribers are postpaid users. Digi Group provides a comprehensive range of affordable, convenient and flexible connectivity and digital services to keep customers connected to what matters most while empowering societies through easy access to the internet and digital skills. Digi Group creates value for its customers by delivering connectivity in a safe, reliable and efficient way nationwide and providing personalised, and engaging digital products and services. Digi Tel currently holds a NFP (Individual) licence and a NSP (Individual) licence, both of which are valid until 2025, alongside an Applications Service Provider class licence. Additionally, the company's 4G network is currently utilising spectrums in the 900 MHz, 1800 MHz, 2100 MHz and 2600 MHz band.

Digi Group's core business is mainly providing telecommunication services and products to both retail and wholesale segment. The retail telecommunications products and services includes mobile services (voice and data services, broadband services, roaming services and add-on services), fixed services (fixed line services and fixed fibre broadband), digital content and sales of mobile devices. In the wholesale segment, Digi offers mobile broadband, voice and messaging services to MVNOs domestic and international interconnect and roaming services to other telecommunication companies. As at the LPD, Digi has wholesale arrangements with the following MVNOs to provide mobile services using Digi's network:

No.	Entities	Brand name	Commencement year ⁽¹⁾
1.	Pavo Communications Sdn Bhd	SpeakOut MCalls	2010
2.	MY Evolution Sdn Bhd	MyEvo	2011
3.	Cubic Telecom (Malaysia) Sdn Bhd	Cubic	2019

Note:

(1) Commencement year refers to the year in which the MVNO wholesale agreement was entered into between Digi and the MVNO.

In addition to that, Digi also provide other business such as operating leases arrangement to other telecommunication companies for access to network infrastructures and providing e-commerce, digital services and business solutions to enterprise customer.

Digi employs both direct and indirect sales distribution to reach its customers. As at the LPD, Digi operates 28 Digi Store, 150 Digi Store Express and 71 Digi Store Express Lite. The Digi Store Express and Digi Store Express Lite are third-party dealers, exclusively appointed to operate, sell merchandise and provide support services on behalf of Digi. Apart from these, Digi services and engages customers through self-serve channels, for example, MyDigi app, Digi Store Online as well as digital platform through its website and social media.

INFORMATION ON DIGI/MERGEKO AND SELECTED FINANCIAL INFORMATION (Cont'd)

1.2 Selected Historical Financial Information of Digi Group

	FYE 31 December		
	2019	2020	2021
	RM'000	RM'000	RM'000
Revenue	6,297,358	6,152,747	6,335,674
Other income	16,304	19,048	25,775
PBT	1,892,321	1,622,046	1,514,885
PBT margin ⁽¹⁾	30.0%	26.4%	23.9%
PATAMI	1,432,949	1,220,969	1,162,105
PATAMI margin ⁽²⁾	22.8%	19.8%	18.3%
Finance costs (borrowings)	120,570	85,751	133,316
Finance costs (lease liabilities)	110,506	126,796	112,269
Total finance costs	231,076	212,547	245,585
Weighted average number of ordinary shares ('000)	7,775,000	7,775,000	7,775,000
Earnings per share (sen)	18.4	15.7	14.9
- Basic and diluted ⁽³⁾			
Share capital	769,655	769,655	769,655
NA attributable to the owners of the company	659,987	605,856	632,811
Total equity	659,987	605,856	632,811
Total interest bearing borrowings (including lease liabilities)	5,149,799	5,452,033	4,959,275
Cash and cash equivalents	457,716	302,853	204,527
Net interest bearing borrowings (including lease liabilities) ⁽⁴⁾	4,692,083	5,149,180	4,754,748
Total current assets	1,857,178	1,530,560	1,422,614
Total current liabilities	2,757,488	2,514,173	2,932,070
Total assets	8,149,441	8,186,734	7,839,815
Total liabilities	7,489,454	7,580,878	7,207,004
Cash flow from operating activities	2,061,642	2,432,058	2,605,930
Dividends declared ⁽⁵⁾	1,415,050	1,212,900	1,158,475
Dividends paid ⁽⁵⁾	1,446,150	1,275,100	1,135,150
Dividend payout ratio ⁽⁶⁾	98.8%	99.3%	99.7%

Notes:

- (1) Calculated as PBT divided by revenue.
- (2) Calculated as PATAMI divided by revenue.
- (3) Computed based on profit attributable to owners of the company divided by weighted average number of ordinary shares of Digi Shares.
- (4) Computed by setting off the total interest bearing borrowings with the cash and cash equivalents amount.
- (5) For 2021, the amount of dividends that have been paid is RM855.25 million whilst the amount of dividends declared but not paid as at 31 December 2021 is RM303.23 million. This dividend has been paid during Q1 2022 and was financed through internally generated funds. For 2022, the amount of dividends declared and paid up to the date of this Circular is RM443.18 million whilst the amount of dividends declared but not paid as at the date of this Circular is RM264.35 million. This dividend is expected to be paid during Q4 2022 and will be financed through internally generated funds. These dividends are not expected to affect the execution and implementation of the MergeCo Group's future plans or strategies moving forward.
- (6) Computed based on dividend declared divided by PATAMI for the year.

INFORMATION ON DIGI/MERGEKO AND SELECTED FINANCIAL INFORMATION (Cont'd)

Key financial ratios

	FYE 31 December		
	2019	2020	2021
Current ratio ⁽¹⁾	0.67	0.61	0.49
Gearing ratio ⁽²⁾	7.80	9.00	7.84
Net gearing ratio ⁽³⁾	7.11	8.50	7.51
Trade receivables turnover period (days) ⁽⁴⁾	71	65	60
Payables turnover period (excluding retention sum) (days) ⁽⁵⁾	135	119	111
Effective tax rate (%) ⁽⁶⁾	24.3	24.7	23.3
Net assets per share (sen) ⁽⁷⁾	8.5	7.8	8.1

Notes:

- (1) Computed based on current assets divided by current liabilities.
- (2) Computed based on total interest bearing borrowings (including lease liabilities) divided by total equity.
- (3) Computed based on net interest bearing borrowings (including lease liabilities) divided by total equity.
- (4) Computed based on average adjusted trade receivables divided by total revenue less prepaid revenue for such financial year, multiplied by the number of days in the financial year. Adjusted trade receivables are computed based on trade receivables and contract assets net of loss allowance.
- (5) Computed based on average payables and accruals (excluding regulatory payables) and amount due to a related party that is trade in nature divided by the operating expenses (excluding regulatory expenses) and capital expenditure for such year, multiplied by the number of days in the financial year. The turnover period was computed based on total payables to ensure all major expenses to generate revenue (including, among others, network expenses and capital expenditures) are being monitored.
- (6) Calculated as taxation divided by PBT.
- (7) Computed based on NA attributable to the owners of the company divided by weighted average number of ordinary shares of Digi Shares.

1.3 MATERIAL CONTRACTS

As at the LPD, save and except for the SPA, the Digi Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within two (2) years immediately preceding the date of the SPA and up to the LPD.

On 7 October 2022, Digi Tel had entered into a conditional share subscription agreement with DNB for the proposed subscription of:

- (i) 100,000 new DNB Shares; and
- (ii) 178.47 million DNB Rights to Allotment,

which represents 12.50% equity interest in the enlarged DNB for a total cash consideration of RM178.57 million.

INFORMATION ON DIGI/MERGECO AND SELECTED FINANCIAL INFORMATION (Cont'd)

Pursuant to the terms of the conditional share subscription agreement with DNB, in the event the Proposed Merger is not completed by 30 June 2023, Digi Tel shall subscribe for an additional 113.10 million DNB Rights to Allotment, for cash consideration of RM113.10 million, such that its equity interest in the enlarged DNB will increase from 12.50% to 17.50%. Celcom Mobile had on the same date, entered into a similar agreement with similar terms with DNB, please refer Section 6 of Appendix I of this Circular for further details.

Under the terms of the conditional share subscription agreement entered into by Digi Tel and Celcom Mobile respectively with DNB, if the Proposed Merger completes, their collective equity interest in DNB shall not be more than 25% of the aggregate issued DNB Shares and granted DNB Rights to Allotment. In the event of non-completion of the Proposed Merger, Digi Tel will hold 17.50% equity interest in the enlarged DNB.

The conditional share subscription agreement entered into by Digi Tel with DNB is expected to be completed during the fourth quarter of 2022, subject to the fulfilment of the following conditions precedent:

- (i) the execution of the access agreement between Digi Tel and DNB for the offtake of wholesale 5G services nationwide by Digi Tel;
- (ii) the execution of a shareholders' agreement between Digi Tel, all other invited mobile network operators, MoF Inc. and DNB;
- (iii) the approval of the Minister for the changes required to the NFP and NSP licences held by DNB to enable DNB to meet its obligations under the conditional share subscription agreement;
- (iv) the amendment of the DNB Board Charter with written approval from the MCMC;
- (v) the written consents from DNB's lenders;
- (vi) the written consent or waiver from major vendors of DNB;
- (vii) written confirmation from MCMC that no merger approval is required in relation to the subscription of 100,000 new DNB Shares and 178.47 million DNB Rights to Allotment under the conditional share subscription agreement and other share subscription agreements;
- (viii) the certified true copy of an extract of the shareholder's resolution of DNB approving the execution, delivery and performance of its obligations under the conditional share subscription agreement;
- (ix) the letter from MoF Inc. waiving its pre-emptive right in respect of 100,000 new DNB Shares and 178.47 million DNB Rights to Allotment to Digi Tel;
- (x) the written consent from MoF Inc. to grant Digi Tel a put option where Digi Tel may put to and require MoF Inc. to purchase all shares owned by Digi Tel at RM1.00 per share in the event the MCMC (or any government agency with the relevant authority) determines that:
 - (a) DNB is no longer the single wholesale provider of 5G services in Malaysia; or
 - (b) any MCMC licensee(s) (including Digi Tel) is entitled to re-deploy its existing spectrum to provide 5G services or is otherwise provided with or acquires spectrum to provide 5G services, whether on a wholesale or retail basis;
- (xi) the appointment of the escrow agent and the execution of the escrow agreement; and;
- (xii) the approval of the shareholders of Digi subject to the terms of the conditional share subscription agreement.

INFORMATION ON DIGI/MERGECO AND SELECTED FINANCIAL INFORMATION (Cont'd)

For the avoidance of doubt, the conditional share subscription agreement with DNB is not inter-conditional on any other corporate exercise of Digi, including the Proposals. Digi Group intends to fund the cash considerations for the conditional share subscription agreement with DNB via a combination of internally generated funds and/or external borrowings.

1.4 MATERIAL LITIGATION

As at the LPD, the Digi Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board confirms that to the best of its knowledge there are no proceedings pending or threatened against the Digi Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of the Digi Group.

1.5 MATERIAL COMMITMENTS

Save as disclosed below, as at the LPD, there are no material capital commitments contracted or known to be contracted by our Group, which may have a material impact on the financial results/position of our Group:

Capital expenditure in respect of PPE and intangible assets⁽¹⁾	RM'000
Approved and contracted for	207,331
Approved but not contracted for	227,855
	<u>435,186</u>

Note:

(1) *Mainly in relation to purchase of telecommunications network assets and IT systems.*

The Company expects that the material capital commitments above will be funded through a combination of internally generated funds and/or borrowings.

Please also refer to Section 1.3 of Appendix V of this Circular for material commitment incurred by the Digi Tel for the proposed subscription of new DNB Shares and DNB Rights to Allotment subsequent to the LPD.

1.6 CONTINGENT LIABILITIES

As at the LPD, there are no contingent liabilities incurred or known to be incurred by our Group which, upon becoming enforceable, may have a material impact on the financial results/position of our Group.

2. MERGECO
2.1 INTELLECTUAL PROPERTY/ LICENCES OF MERGECO

Digi and Telenor have entered into a licence agreement ("**Existing Telenor Licence**") whereby Telenor has agreed to grant to Digi a non-exclusive licence to use the trademark applications and registrations as specified in the Existing Telenor Licence, as part of Digi's company logo and in connection with the marketing and sale of telecommunications, broadband and broadcast products and services and merchandising materials which uses the 'Telenor' trademarks.

INFORMATION ON DIGI/MERGEKO AND SELECTED FINANCIAL INFORMATION (Cont'd)

The 'Telenor' trademark (which forms part of Digi's company logo) is used to indicate that Digi is part of Telenor group. The licence fee is 0.15% of Digi's total revenues per annum. The licence fee is determined based on arm's length principle to reflect the market value of the licence granted by Telenor and taking into consideration transfer pricing studies and the license is also granted on the same basis with other Telenor's investee companies which uses the Telenor's trademark.

Axiata, Telenor and Digi have agreed in the SPA to use their commercially reasonable endeavours to cooperate and negotiate as soon as reasonably practicable:

- (i) to agree and finalise the terms of the licence to be granted by Axiata to MergeCo in respect of the "Axiata Logo" in accordance with the principles set out in the SPA ("**Axiata Brand Licence**"); and
- (ii) to amend the Existing Telenor Licence in accordance with the principles set out in the SPA, in each case, on or before completion of the Proposed Merger.

The principles set out in the SPA includes, amongst others, MergeCo being required to pay the following fees:

- (i) to Axiata, a fee to be agreed prior to completion of the Proposed Merger which shall be equal to the licence fee to be paid to Telenor under the Existing Telenor Licence; and
- (ii) to Telenor, a fee to be agreed prior to the completion of the Proposed Merger which shall be equal to the licence fee to be paid to Axiata under the Axiata Brand Licence.

If Axiata, Telenor and Digi are unable to agree to the terms of the Axiata Brand Licence or to amend the Existing Telenor Licence prior to completion of the Proposed Merger, the terms of the Existing Telenor Licence shall continue subject to the amendments set out in the SPA and Axiata shall licence to MergeCo for the benefit of the MergeCo Group, the trademarks set out in the SPA based on the terms and conditions substantially equivalent to the terms of the Existing Telenor Licence and in accordance with the principles set out in the SPA until the Axiata Brand Licence is entered into between Axiata and MergeCo as soon as reasonably practicable after completion of the Proposed Merger.

The MergeCo Group will still be able to continue using its own trademarks and logos namely, the "Digi" and "Celcom" trademarks and logos (without the 'Telenor' and 'Axiata' logos). The progress of brand licence negotiation is not expected to have a material adverse impact to the operations and financials of the MergeCo even if it is not included.

Axiata, Telenor and Digi are currently still in the midst of negotiating on the above brand licence agreements. The terms of the licence agreements to be entered into between Digi and Axiata and Telenor respectively, will be based on commercial terms. These agreements may be subject to annual shareholders' approval in accordance with the relevant rules under the Listing Requirements.

2.2 DIVIDEND POLICY OF MERGECO

Digi's dividend policy is to distribute a minimum 80.00% of its annual net profit to shareholders to be paid quarterly. However, there is no certainty that this dividend policy will continue in the future after completion of the Proposed Merger as such policy will be determined and approved by the Board of MergeCo which will only be formally constituted after the completion of the Proposed Merger. Declaration of any dividends are subject to the discretion of the Board of MergeCo and based on the current constitution of Digi, any final dividend proposed is subject to MergeCo's shareholders' approval.

INFORMATION ON DIGI/MERGEKO AND SELECTED FINANCIAL INFORMATION (Cont'd)

Actual dividends proposed and declared subject to the MergeCo Group's financial performance, cash flow and availability of distributable reserves and may be waived if the payment of the dividends would adversely affect the MergeCo Group's cash flows and operations. There is no dividend restriction being imposed on MergeCo currently.

Please refer to Section 1.2 of Appendix V of this Circular for Digi's dividends declared and paid for the FYE 31 December 2019, 2020 and 2021.

2.3 CAPITALISATION AND INDEBTEDNESS

The table below sets forth Digi Group and Celcom Group's capitalisation and indebtedness information based on the respective unaudited management accounts as at 31 August 2022.

Digi Group	Unaudited 31 August 2022 RM'000
Indebtedness:	
Loans and borrowings	
Non-current (unsecured)	
Floating-rate term financing-i ("FRTF-I")	345,115
Islamic medium term notes	1,498,955
Lease liabilities	2,115,997
	<u>3,960,067</u>
Current (unsecured)	
Floating-rate term loan	221,943
FRTF-i	150,000
Floating-rate revolving credit	75,000
Lease liabilities	449,253
	<u>896,196</u>
Total indebtedness	<u>4,856,263</u>
Capitalisation:	
Share capital, representing total capitalisation	<u>769,655</u>
Total capitalisation and indebtedness	<u>5,625,918</u>
Note:	
(a) Contingent liabilities	
	Unaudited 31 August 2022 RM'000
Unsecured	
Guarantees given to city councils for public infrastructure works	14,585
Guarantee given to MCMC on project tender	11,900
Guarantees given to utility providers	2,713
Guarantees given to landlords	901
	<u>30,099</u>

INFORMATION ON DIGI/MERGECO AND SELECTED FINANCIAL INFORMATION (Cont'd)

Celcom Group	Unaudited 31 August 2022 <u>RM'000</u>
Indebtedness:	
Bank borrowings and lease liabilities	
Current (secured)	
Borrowings	<u>3,384</u>
Current (unsecured)	
Borrowings	471,346
Lease liabilities	<u>444,796</u>
	<u>916,142</u>
	<u>919,526</u>
Non-Current (secured)	
Borrowings	<u>2,420</u>
Non-Current (unsecured)	
Borrowings	3,550,000
Lease liabilities	<u>2,602,796</u>
	<u>6,152,796</u>
	<u>6,155,216</u>
Total indebtedness	<u>7,074,742</u>
Capitalisation:	
Share capital, representing total capitalisation	<u>1,237,535</u>
Total capitalisation and indebtedness	<u>8,312,277</u>

Contingent liabilities as at 31 August 2022:

- (i) Celcom and Celcom Resources vs TSDTR & 6 others. The potential exposure is RM7,215 million; and
- (ii) Celcom and Celcom Resources vs TSDTR & 8 others. The potential exposure is RM7,215 million.

Please refer to Section 8 of Appendix I of this Circular for details on the 2 material litigation suits involving the Celcom Group.

INFORMATION ON DIGI/MERGEKO AND SELECTED FINANCIAL INFORMATION (Cont'd)

2.4 EXCHANGE CONTROLS AND TAXATION

In January 2022, Celcom acquired Infront Consulting Group (M) Sdn Bhd, which has a foreign subsidiary incorporated in Singapore. Post-completion of the Proposed Merger, such foreign subsidiary of Celcom will become a subsidiary of MergeCo. Other than this Singapore incorporated subsidiary, which is a non-material subsidiary to Celcom Group, the MergeCo Group does not have any place of business outside Malaysia. There are no governmental laws, decrees, regulations or other requirements which may affect the repatriation of capital or remittance of profit by or to MergeCo or by such Singapore incorporated foreign subsidiary to Malaysia.

All corporations in Malaysia are required to adopt a single-tier dividend. All dividends distributed by Malaysian resident companies under a single-tier dividend are not taxable. Further, the Government does not levy withholding tax on dividend payment. Therefore, there is no withholding tax imposed on dividends paid to non-residents by Malaysian resident companies. There is no Malaysian capital gains tax arising from the disposal of listed shares. However, repatriation of capital and the remittance of profits by the foreign subsidiary incorporated in Singapore may be subject to withholding taxes (if any) as may be imposed by Singapore authorities from time to time.

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MERGECo'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT
1. CONTROLLING SHAREHOLDERS OF MERGECo
1.1 Controlling shareholders of MergeCo upon completion of the Proposed Merger

Prior to the completion of the Proposed Merger, Telenor is the sole controlling shareholder of Digi with 49.00% shareholding interest in Digi. Upon completion of the Proposed Merger, the shareholdings of Axiata in Digi will increase from nil to 33.10%. Axiata, together with Telenor Asia will jointly control MergeCo with equal shareholding of 33.10% each and a combined stake of 66.20%. Upon completion of the Proposed Merger, the SHA Parties will enter into the SHA with each other to govern the terms of their joint participation and control of Digi. Please refer to Section C of Appendix XI of this Circular for the salient terms of the SHA.

The shareholdings of Axiata, Khazanah, Telenor Asia and the holding companies of Telenor Asia, in Digi as at the LPD and upon completion of the Proposed Merger are as follows:

	As at the LPD				After the Proposed Merger			
	Direct		Indirect		Direct		Indirect	
	No. of Digi Shares ('000)	% ⁽¹⁾	No. of Digi Shares ('000)	% ⁽¹⁾	No. of MergeCo Shares ('000)	% ⁽²⁾	No. of MergeCo Shares ('000)	% ⁽²⁾
Axiata	-	-	-	-	3,883,129	33.10	-	-
Khazanah ⁽³⁾	-	-	-	-	-	-	3,883,129	33.10
Telenor Asia	3,809,750	49.00	-	-	3,883,129	33.10	-	-
Telenor Mobile Communications AS ⁽⁴⁾	-	-	3,809,750	49.00	-	-	3,883,129	33.10
Telenor Mobile Holding AS ⁽⁵⁾	-	-	3,809,750	49.00	-	-	3,883,129	33.10
Telenor ⁽⁶⁾	-	-	3,809,750	49.00	-	-	3,883,129	33.10

Notes:

- (1) Calculated based on the 7,775,000,000 Digi Shares as at the LPD.
- (2) Calculated based on the pro forma enlarged share capital of 11,731,507,988 MergeCo Shares.
- (3) Deemed interested by virtue of its 36.74% interest in Axiata.
- (4) Deemed interested by virtue of its 100% interest in Telenor Asia.
- (5) Deemed interested by virtue of its 100% interest in Telenor Mobile Communications AS.
- (6) Deemed interested by virtue of its 100% interest in Telenor Mobile Holding AS.

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

1.2 Information on Telenor Asia

Telenor Asia was incorporated in Singapore under the Singapore Companies Act on 15 August 1997 as a private limited company.

Telenor Asia is an investment holding company. The company also provides administrative and co-ordination support to its ultimate holding company, Telenor.

As at the LPD, the issued and paid-up share capital of Telenor Asia is SGD402,519,800 comprising 402,519,800 ordinary shares.

Telenor Asia is a wholly-owned subsidiary of Telenor Mobile Communications AS, which is a wholly-owned subsidiary of Telenor Mobile Holding AS which in turn is a wholly-owned subsidiary of Telenor. As at the LPD, the directors of Telenor Asia are Charles Terence Woodworth and Haakon Bruaset Kjoel.

1.3 Information on Telenor

Telenor, a public limited company currently listed on the Oslo Stock Exchange, was incorporated on 21 July 2000 under the laws of Norway and registered with the Norwegian Register of Business Enterprises on 6 October 2000. Telenor was formed by the Norwegian Government as the holding company for Telenor Communication AS's group of companies. In September 2000, the Norwegian Government contributed all of the shares of Telenor AS (subsequently renamed Telenor Communication AS), the former holding company for the Telenor's group of companies ("**Telenor Group**"), to Telenor in exchange for all of the issued shares of Telenor.

Telenor is the leading telecommunications company in Norway. The Telenor Group has mobile operations in the Nordics, including Norway, Sweden, Denmark and Finland and in Asia, including Pakistan, Bangladesh, Thailand and Malaysia. Telenor has a leading Nordic position in mobile, broadband and TV services, as well as substantial activities in subsidiaries and joint venture operations, including mobile financial services and online classifieds in the Asia region.

The directors of Telenor as at the LPD and their respective shareholdings in Telenor are as follows:

Name	Designation	No. of shares	%
Gunn Wærsted	Chair of the board	18,650	*
Jørgen Kildahl	Deputy Chair of the board	2,000	*
Nina Bjornstad	Board member	0	-
Jon Erik Reinhardsen	Board member	1,500	*
Pieter Cornelis Knook	Board member	0	-
Astrid Simonsen Joos	Board member	0	-
Elisabetta Ripa	Board member	0	-
Jan Otto Eriksen	Board member**	6,433	*
Irene Vold	Board member**	4,720	*
Roger Rønning	Board member**	4,403	*

Notes:

* *Negligible*

** *Employee elected*

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

Save as disclosed below, no other shareholder of Telenor holds more than 5% shareholding in Telenor as at the LPD. The substantial shareholder of Telenor and their shareholdings in Telenor as at the LPD are as follows:

	<u>No. of shares</u>	<u>%</u>	<u>Country of incorporation</u>
Ministry of Trade, Industry and Fisheries, Kingdom of Norway (Registration number 912660680)	755,220,420	53.97	Norway

1.4 Information on Axiata
(i) Information on Axiata

Axiata was incorporated in Malaysia on 12 June 1992 under the Laws of Malaysia and registered with the Companies Commission of Malaysia, as a private limited company under the name of Telekom Malaysia International Sdn Bhd. On 16 October 2001, Axiata changed its name to TM International Sdn Bhd and on 12 December 2007 Axiata was converted into a public company limited by shares under the name of TM International Berhad. Axiata was listed on the Main Market of Bursa Securities on 28 April 2008 and changed its name to Axiata Group Berhad on 31 March 2009. The principal activities of Axiata are investment holding and provision of technical and management services on an international scale. The principal activities of Axiata Group are the provision of mobile communication services, telecommunication infrastructure and related services as well as digital services.

As at the LPD, the issued share capital of Axiata is RM13,913,552,083 comprising 9,177,028,682 ordinary shares.

As at the LPD, Axiata is the sole shareholder of Celcom and its direct and indirect shareholding in Celcom are as follows:

<u>Name</u>	<u>Country of Incorporation</u>	<u>Direct</u>		<u>Indirect</u>	
		<u>No. of Celcom Shares held</u>	<u>%</u>	<u>No. of Celcom Shares held</u>	<u>%</u>
Axiata	Malaysia	1,237,534,681	100	-	-

There has been no significant change in Axiata's direct or indirect shareholding in Celcom during the past three (3) years.

(ii) Substantial shareholders of Axiata

As at the LPD, the substantial shareholders of Axiata are set out below:

<u>Name</u>	<u>Country of Incorporation</u>	<u>Direct</u>		<u>Indirect</u>	
		<u>No. of Axiata Shares held ('000)</u>	<u>%⁽¹⁾</u>	<u>No. of Axiata Shares held ('000)</u>	<u>%⁽¹⁾</u>
Khazanah	Malaysia	3,371,238	36.74	-	-
EPF	Malaysia	1,533,258	16.71	-	-
ASB	Malaysia	1,095,404	11.94	-	-

Note:

(1) Calculated based on the issued share capital of Axiata as at the LPD of 9,177,028,682 ordinary shares.

MERGECo'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

(iii) Directors of Axiata

As at the LPD, the directors of Axiata and their shareholding in Axiata are set out below:

Name	Designation	Nationality	Direct	Indirect		
			No. of Axiata Shares held ('000)	% ⁽¹⁾	No. of Axiata Shares held ('000)	% ⁽¹⁾
Tan Sri Shahril Ridza Ridzuan	Chairman, Independent Non-Executive Director	Malaysian	-	-	-	-
Dato Dr Nik Ramlah Mahmood	Senior Independent Non-Executive Director	Malaysian	-	-	-	-
Dr David Robert Dean	Independent Non-Executive Director	British	-	-	-	-
Khoo Gaik Bee	Independent Non-Executive Director	Malaysian	-	-	-	-
Thayaparan Sangarapillai	Independent Non-Executive Director	Malaysian	-	-	-	-
Ong King How	Non-Independent Non-Executive Director	Malaysian	-	-	-	-
Tan Sri Dr. Halim Shafie	Independent Non-Executive Director	Malaysian	-	-	10 ⁽²⁾	<0.01%
Shahin Farouque bin Ahmad	Non-Independent Non-Executive Director	Malaysian	-	-	-	-
Nurhisham Hussein	Non-Independent Non-Executive Director	Malaysian	-	-	-	-
Eysa Zulkifli	Alternate director to Ong King How	Malaysian	-	-	-	-

Notes:

- (1) Calculated based on the issued share capital of Axiata as at the LPD of 9,177,028,682 ordinary shares.
- (2) Deemed interested by virtue of his spouse's (Puan Sri Zaleha binti Jamaludin) direct shareholdings in the company.

1.5 Change in control subsequent to completion of Proposed Merger

Save as disclosed under Section 1.1 of Appendix VI of this Circular, as at the LPD, there is no arrangement which may result in the change in control of MergeCo at a date subsequent to the completion of the Proposed Merger.

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT *(Cont'd)*
2. PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT OF MERGECO
2.1 Proposed Directors of MergeCo

Upon completion of the Proposed Merger, the composition of the Board of the Company is expected to be changed in accordance with the SPA to reflect the participation of Axiata and Telenor Asia as the joint-controlling shareholders. Based on the terms of the SHA to be entered into between the SHA Parties, Digi has been informed by Telenor Asia and Axiata that the composition of the Board of MergeCo will comprise of 10 directors, where each of Axiata and Telenor will have a right to nominate 5 directors and out of which 2 persons will be independent non-executive directors.

As at the LPD, the proposed Board members of MergeCo that have been identified are set out below:

Name	Age	Nationality	Proposed designation	
Tan Sri Dr. Halim Shafie ⁽¹⁾	73	Malaysian	Chair, Non-Independent	Non-Executive Director
Jørgen Christian Arentz Rostrup ⁽²⁾	56	Norwegian	Deputy Chair, Non-Independent	Non-Executive Director
Dr. Shridhir Sariputta Hansa Wijayasuriya ⁽¹⁾	54	Sri Lankan / British	Non-Independent Director	Non-Executive Director
Haakon Bruaset Kjoel ⁽²⁾	50	Norwegian	Non-Independent Director	Non-Executive Director
Thayaparan S Sangarapillai ⁽¹⁾	67	Malaysian	Non-Independent Director	Non-Executive Director
Rita Skjaervik ⁽²⁾	48	Norwegian	Non-Independent Director	Non-Executive Director
Tan Sri Abdul Farid Alias	54	Malaysian	Independent Non-Executive Director	
Vimala V.R. Menon	68	Malaysian	Independent Non-Executive Director	
Datuk Iain John Lo	60	Malaysian	Independent Non-Executive Director	
Khatijah Begom Shah Mohamed	67	Malaysian	Independent Non-Executive Director	

Notes:

(1) *The director is a representative of Axiata.*

(2) *The director is a representative of Telenor Asia.*

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT *(Cont'd)*

2.2 Proposed Key Senior Management

As at the LPD, the proposed key senior management of MergeCo, that have been identified are set out below:

Name	Age	Nationality	Proposed designation
Datuk Mohamad Idham Nawawi	54	Malaysian	CEO
Albern Murty	49	Malaysian	Deputy CEO
Tan Moi Tsu	64	Malaysian	Chief Financial Officer
Praveen Rajan Nadarajan	43	Malaysian	Chief Consumer Business Officer
Joachim Parsanth Rajaram	46	Malaysian	Chief Corporate Affairs Officer
Kesavan Sivabalan	54	Malaysian	Chief Technology Officer
Cheng Weng Hong	43	Malaysian	Chief Sales & Retail Officer
Azmi Ujang	62	Malaysian	Chief Human Resources Officer
Datuk Kamal Khalid	51	Malaysian	Chief Transformation Officer
Erik Axel Sigurd Marell	54	Swedish	Chief Strategy Officer
Afizulazha Abdullah	55	Malaysian	Chief Enterprise Business Officer
Chee Loo Fun	57	Malaysian	Chief Home & Fibre Officer

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MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT *(Cont'd)*

3. PROFILES OF THE PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT OF MERGECO
3.1 Proposed Directors of MergeCo

The profiles of the board members of MergeCo are as follows:

- (i) **Tan Sri Dr. Halim Shafie** (Malaysian, aged 73)
Chair, Non-Independent Non-Executive Director

Tan Sri Dr. Halim Shafie is currently the Interim Chair and Independent Non-Executive Director of Celcom, a position he held since 2 June 2022. He will be appointed as the Chair, Non-Independent Non-Executive Director of MergeCo upon completion of the Proposed Merger as a representative of Axiata.

Tan Sri Dr. Halim Shafie completed his Bachelor of Economics degree at the University of Malaya in 1972. He subsequently obtained his Master in Public and International Affairs from University of Pittsburgh in USA in 1980 and his PhD in Information Transfer at School of Information Studies, Syracuse University in 1988. He also attended the Advanced Management Program, Harvard Business School in 2000.

Tan Sri Dr. Halim Shafie started his career in 1972 as an Assistant Secretary in the Services Division of the Ministry of Education, Malaysia until 1975. At the Ministry of Education, he was involved in implementing a new salary scheme for teachers in Malaysia known as the Aziz Scheme introduced in 1971. From 1975 to 1983, while holding a position as a government officer in the Administrative and Diplomatic service, Tan Sri Dr. Halim Shafie attended two training programs on paid study leave, being a Diploma in Systems Analysis and Design at the National Institute of Public Administration (INTAN) in 1975 and a Master of Public and International Affairs degree in 1980, after which he was posted to INTAN to set up the National Computer Training Center to conduct computer training programs for government employees in the country until 1983. Between 1983 and 1988, while continuing to work in the Administrative and Diplomatic service of the Government, he was awarded the government scholarship to pursue his PhD in Information Transfer at the School of Information Studies, Syracuse University.

Subsequently, he was posted as a Director in the Information Technology Division of MAMPU (the Malaysian Administrative Management and Manpower Unit), Prime Minister's Department in 1988 until 1994, where he was responsible for planning computerization projects for the public sector in Malaysia.

Between 1994 to 1999, Tan Sri Dr. Halim Shafie was transferred as Director of INTAN that carries out training for all levels of government officials. INTAN was also designated as the National Computer Training Centre.

He was transferred to the Ministry of Energy, Post and Communications in 1999 and served the ministry until 2006. His portfolio of responsibilities included energy, post, communications as well as water and sewerage services. With the CMA newly implemented in 1998, Tan Sri Dr. Halim Shafie was involved in developing many new regulations. In water services, he was involved in the restructuring of the water services industry that includes amendment to the Federal Constitution to place water services under shared Federal State responsibility and the establishment of Suruhanjaya Perkhidmatan Air Negara (SPAN), the regulatory commission for water services in Malaysia.

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT *(Cont'd)*

Tan Sri Dr. Halim Shafie served the MCMC twice as the Chairman, from 2006 to 2009 and then from 2015 to 2018. During the two terms, the significant initiatives implemented include amongst others, the prepaid registration, mobile number portability (MNP), spectrum award and reallocation, Malaysian Internet Exchange and Universal Service Provision (USP) to widen communications services to underserved areas and empowerment of rural communities through the rural internet centres.

Between 2009 to 2015, he was the Chair of Telekom Malaysia Berhad, a fixed line company that was given responsibility by the Government to deploy fiber under the High Speed Broadband Program (HSBB). He was also the Advisory Board Chairman of the National Library between 2007 and 2017 and has been an Adjunct Professor at Universiti Utara Malaysia since 2008.

Tan Sri Dr. Halim Shafie is also an Independent Non-Executive Director of Axiata and a member of the Board Risk and Compliance Committee of Axiata since 1 November 2020. In addition, he was appointed as the Non-Executive Director of Smart Axiata Co., Ltd on 9 February 2021 and was redesignated as the Chair on 6 May 2021.

He has also held other directorships of various other companies in the past five (5) years, details of which are as set out in Section 4.1 of this Appendix VI.

(ii) Jørgen Christian Arentz Rostrup (Norwegian, aged 56)
Deputy Chair, Non-Independent Non-Executive Director

Jørgen Christian Arentz Rostrup is currently the Executive Vice President and Head of Telenor Asia at Telenor. He will be appointed as the Deputy Chair and Non-Independent Non-Executive Director of MergeCo upon completion of Proposed Merger as a representative of Telenor Asia.

He obtained his Master of Economics and Business Administration degree from the Norwegian School of Economics in 1991.

Following his graduation and between 1991 and 2013, he held various positions in Norsk Hydro ASA group of companies, including as a member of Corporate Management Board where he was responsible for energy production, sales and long-term contracts as well as development of renewable energy production before being promoted to the position of the Chief Financial Officer, a position he held from 2009 to 2013.

Prior to joining Telenor, he held various positions in Yara International ASA group of companies, including as the Managing Director of Yara Ghana Ltd from 2013 to 2015, and as the CEO / President of Yara North America Inc, a position he held from 2015 to 2016 where he was primarily responsible for import, production, sales and distribution of commodity and specialized fertilizer products.

In 2016, he joined Telenor and the Corporate Management Board as the Chief Financial Officer. He switched to his current position as the Executive Vice President and Head of Telenor Asia in 2020. His key responsibilities include running the Group's Asia telecom business.

In addition, he is also the Chair of the Board of Grameenphone Ltd. in Bangladesh, and the Vice Chair of the Board of Total Access Communication PCL, where both the companies are indirect subsidiaries of Telenor.

He has also held other directorships of various other companies in the past five (5) years, details of which are as set out in Section 4.1 of this Appendix VI.

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT *(Cont'd)*

- (iii) **Dr. Shridhir Sariputta Hansa Wijayasuriya** (Sri Lankan / British, aged 54)
Non-Independent Non-Executive Director

Dr. Shridhir Sariputta Hansa Wijayasuriya who has been the CEO of Telecommunications Business & Group Executive Vice President of Axiata since January 2020, is currently the interim Joint Acting Group CEO of Axiata together with Mr Vivek Sood, the Group Financial Officer of Axiata, since 1 June 2022. He will be appointed as the Non-Independent Non-Executive Director of MergeCo upon completion of the Proposed Merger as a representative of Axiata.

He graduated from the University of Cambridge UK in 1989 and subsequently obtained his PhD in Digital Mobile Communications from the University of Bristol UK in 1994. He also holds an MBA from the University of Warwick UK, awarded in 2003. He is also a Chartered Engineer and Fellow of the Institute of Engineering Technology UK since 2004.

He joined Dialog Axiata PLC's ("**Dialog**") founding management team in 1994 and took on the role of CEO in 1997 till 2016. Dialog is in the business of mobile and fixed communication services, pay television services, digital services and telecommunication infrastructure services. As the CEO of Dialog, Dr. Shridhir Sariputta Hansa Wijayasuriya was responsible for the overall development and operation of the company.

From 2016 to 2020, he served as the Corporate Executive Vice President and Regional CEO for South Asia of Axiata. In the capacity of Regional CEO, he was responsible for Axiata's operations in Bangladesh, Nepal and Sri Lanka and investment interests in India and Pakistan.

From 2012 till 2014, he was also the Founding CEO of Axiata Digital Services Sdn Bhd. In this role, his key responsibilities included the setting up of Axiata's pan-region digital services business using a mix of organic and inorganic strategies.

In his current role as the CEO of Telecommunications Business of Axiata, he oversees all six telecommunications operating companies across Axiata's markets in Association of Southeast Asian Nations (ASEAN) and South Asia.

In 2016, he was honored by the GSMA Association, a global member-led organisation representing the mobile industry, as the first recipient of the "Outstanding Contribution to the Asian Mobile Industry" Award. He is also the past Chair of GSMA Asia Pacific, and is currently the nominee of Axiata on the Board of the GSMA.

Dr. Shridhir Sariputta Hansa Wijayasuriya is currently a Non-Independent Non-Executive Director of Celcom and also a member of its Board Risk & Compliance Committee since 23 March 2020 and 7 April 2020 respectively. He also has directorships in various subsidiaries of Axiata which include Dialog from January 2001, Axiata Digital & Analytics Sdn Bhd from November 2014, Ncell Axiata Limited from April 2016, Robi Axiata Limited from April 2016, Smart Axiata Co., Ltd from April 2017 and PT XL Axiata Tbk from May 2020.

He has also held other directorships of various other companies in the past five (5) years, details of which are as set out in Section 4.1 of this Appendix VI.

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT *(Cont'd)*

(iv) Haakon Bruaset Kjoel (Norwegian, aged 50)
Non-Independent Non-Executive Director

Haakon Bruaset Kjoel is currently the Non-Independent Non-Executive Director and Chair of the Board of Directors of Digi and Digi Tel. He will be redesignated as the Non-Independent Non-Executive Director of MergeCo upon completion of the Proposed Merger as a representative of Telenor Asia.

He completed his Master of Business Administration degree from BI Norwegian Business School in Oslo, Norway in 2017. Mr. Kjoel also studied marketing and public relations at BI Norwegian Business School in 1991 to 1994.

Following his graduation, he joined Telenor Group in 1995 and started his career in mobile operations in Norway. Since then, he has gained extensive international experience through his involvement in Telenor's international activities in Europe and for the last 22 years, in Asia. During this period, he has held senior global and regional leadership roles in the areas of regulatory and public affairs, government and public relations, corporate communications, sustainability and strategy development.

From December 2019 to April 2020, he held the post of Chief Strategy and Transformation Officer of Total Access Communication PCL, Telenor Group's mobile network operator in Thailand.

He most recently served as the Senior Vice President and Head of External Relations for Asia at Telenor Asia, from May 2020 until the end of August 2022 where he was responsible for the company's Asia-focused sustainability, reputation and brand management and stakeholder management initiatives.

He is currently the Senior Vice President and Head Investment Management for Malaysia, a role he has held since September 2022 where he is responsible for overseeing Telenor Asia's activities in Malaysia.

He currently serves on the Board of Directors of several Telenor Group companies in Singapore, Grameenphone Ltd. in Bangladesh since September 2011, Total Access Communication PCL since October 2020. He is also a non-executive Director of the international architect and design company Snøhetta AS headquartered in Oslo, Norway, since 2020.

He has also held other directorships of various other companies in the past five (5) years, details of which are as set out in Section 4.1 of this Appendix VI.

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT *(Cont'd)*

- (v) **Thayaparan S Sangarapillai** (Malaysian, aged 67)
Non-Independent Non-Executive Director

Thayaparan S Sangarapillai is currently the Deputy Chair, Independent Non-Executive Director of Celcom. He will be appointed as the Non-Independent Non-Executive Director of MergeCo upon completion of the Proposed Merger as a representative of Axiata.

He is a Member of the Institute of Chartered Accountants in England & Wales since 1983, Member of Malaysian Institute of Accountants since 1984 and Member of the Malaysian Institute of Certified Public Accountants since 2007.

He joined PricewaterhouseCoopers, Malaysia in 1983 as an Audit Senior, and became a Partner in 1994, before retiring as a Senior Partner in 2015, having served the firm for over 32 years. Thayaparan S Sangarapillai has worked extensively with audit committees, senior management and Board members of public listed companies across industries in audit, business advisory, mergers and acquisitions, valuations, initial public offerings and cross border transactions.

Thayaparan S Sangarapillai is an Independent Non-Executive Director of Axiata since 18 March 2020. He is the Chairman of Board Audit Committee and Board Sustainability Committee of Axiata since 29 July 2020. He is also a member of the Axiata Enterprise Investment Board Committee of Axiata since 2 July 2020. Prior to being appointed as an Independent Non-Executive Director of Celcom on 26 March 2020, he has been a member of its Board Audit Committee since 1 July 2015. Thayaparan S Sangarapillai was subsequently appointed as the Chair of the Board Audit Committee on 12 August 2020. He is a member of its Board Remuneration Committee since 12 August 2020.

He is a Board member, member of Audit Committee and Chair of the Risk Committee of Petroliam Nasional Berhad since September 2021. He is a Board member and Chair of the Board Audit Committee of Sime Darby Berhad since December 2017 and member of its Risk Committee since September 2019.

He has also held other directorships of various other companies in the past five (5) years, details of which are as set out in Section 4.1 of this Appendix VI.

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT *(Cont'd)*

- (vi) **Rita Skjaervik** (Norwegian, aged 48)
Non-Independent Non-Executive Director

Rita Skjaervik is currently the Executive Vice President at Telenor, where she heads the Group People, Sustainability & External Relations unit. She will be appointed as the Non-Independent Non-Executive Director of MergeCo upon completion of the Proposed Merger as a representative of Telenor Asia.

She obtained her Master of Political Science degree from the University of Oslo in 2002.

She began her career as a political advisor in the Workers' Youth League (AUF) between 1996 and 1998, being responsible for environmental and educational issues, as well as top management advisory.

In 1999 to 2005 she joined the Labour Party Parliamentary Group as a political advisor. Her duties over the years include education and research, local administration and top management advisory.

Before joining Telenor, she worked as both the State Secretary from 2005 to 2009 and then as the Deputy Chief of Staff for the Prime Minister of Norway from 2009 to 2013, during which she assisted the Prime Minister in leading and coordinating the work of the Norwegian government and she advised the Prime Minister on policy development, decisions and crisis management.

In 2014, she joined the Governmental Relations team in Telenor Norway AS. She has since held multiple roles in Telenor, including in the Group Public Affairs team and then as the Senior Vice President (Head of CEO Office) from 2017 to 2020, where she was the head of the secretariat and managed the support provided to the President & CEO as well as Telenor group governing bodies in which she was responsible in ensuring the quality of the decision-making processes.

More recently, she was the Senior Vice President (Head of Group Strategy and External Relations) of Telenor from 2020 to 2021 where she was responsible for strategy, research, communication, public affairs and the CEO office at Telenor.

From December 2021, compliance was added to her responsibilities, and she was named as the Executive Vice President Strategy and External Relations of Telenor, reporting to the President & CEO of Telenor and being part of the Telenor Group Executive Management. From 1 September 2022, she was appointed Executive Vice President People, Sustainability & External Relations, responsible for strategy, communication, public affairs and sustainability, people governance, corporate secretariat and compliance.

She has also held other directorships of various other companies in the past five (5) years, details of which are as set out in Section 4.1 of this Appendix VI.

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT *(Cont'd)*

- (vii) **Vimala V.R. Menon** (Malaysian, aged 68)
Independent Non-Executive Director

Vimala V.R. Menon is currently the Senior Independent Non-Executive Director and Chair of Audit & Risk Committee of Digi and Independent Non-Executive Director of Digi Tel. She will be redesignated as an Independent Non-Executive Director of MergeCo upon completion of the Proposed Merger.

She has been a Member of the Institute of Chartered Accountants in England and Wales from July 1980 and subsequently a Fellow in 2013. She is a Member of the Malaysian Institute of Accountants (MIA) since August 1982.

She has had extensive Board experience as an Independent Non-Executive Director, Chair of Audit Committee and member of the Risk and Nomination and Remuneration Committees.

She started her career in 1982 and after a brief time in practice at Kassim Chan & Co (now Deloitte Malaysia) from 1982 to 1984, she joined Edaran Otomobil Nasional Berhad (EON Berhad) in 1984 as Manager of Finance. She rose through the ranks and was promoted to Director of Finance in 1990 and subsequently designated to Director, Finance and Corporate services, a position she held until 2007.

She was primarily responsible for Finance, IT and corporate development functions and headed the team which managed the listing of EON Berhad on the KLSE and in the same year in 1990, appointed to the Board of EON Berhad as a Non-Independent Director until 2006.

Her role also included overseeing EON Berhad's expansion into various acquisitions and joint ventures and at various times during this period, she represented EON Berhad's interest as a Non-Independent Director on the Boards of EON Bank Berhad from 1994 to 2004, Jardine Cycle & Carriage Limited from 1994 to 2003 and PT Astra International Tbk from 2000 to 2003.

In 2008, she joined Proton Holdings Berhad as Director of Finance and Corporate Affairs, heading their Finance and IT functions till 2009.

She was later appointed as Independent Director and Chair of the Board Audit Committee of Cycle and Carriage Bintang Berhad in 2008 and served till 2017. Thereafter, she was appointed to the Board of Jardine Cycle & Carriage Limited in 2017 as its Senior Independent Director and Board Audit Committee Chair, a position she held till 2021.

She was also a Senior Independent Director and Chair of the Board Audit Committee of Petronas Chemicals Group Berhad in 2010 and a member of its Risk, Nomination and Remuneration Committees until her retirement in 2019.

In addition, she served as Independent Director and Chair of the Board Audit Committee of Petronas Dagangan Berhad and a member of its Risk, Nomination and Remuneration Committees in 2011 until 2020.

Between 2011 to 2018, she was also a Board member of Prince Court Medical Centre Sdn Bhd.

She has been a member of the Board of Trustee of Yayasan Tunku Abdul Rahman (YTAR) from 10 November 2021.

She has also held other directorships of various other companies in the past five (5) years, details of which are as set out in Section 4.1 of this Appendix VI.

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT *(Cont'd)*

(viii) Tan Sri Abdul Farid Alias (Malaysian, aged 54)
Independent Non-Executive Director

Tan Sri Abdul Farid Alias will be appointed as an Independent Non-Executive Director of MergeCo upon completion of the Proposed Merger.

He has a Master of Business Administration (Finance), University of Denver, USA in 1991 and Bachelor of Science in Accounting, Pennsylvania State University, USA in 1990. Tan Sri Abdul Farid Alias also completed the Advanced Management Programme, Harvard Business School, USA in 2013. He is also a Fellow Chartered Banker with the Asian Institute of Chartered Bankers from 16 December 2015.

He has accumulated over 30 years of working experience in banking and financial services industry, particularly in the areas of investment banking, commercial banking and capital markets.

He had worked for a number of merchant and investment banks in various capacities such as Aseambankers Malaysia Berhad from 1992 to 1994 (as Officer-Assistant Manager), Schrodgers Malaysia (L) Ltd. from 1994 to 1995 (as Assistant Manager), Malaysian International Merchant Bankers Berhad from 1996 to 1997 (as Senior Manager-Assistant General Manager) and JP Morgan Malaysia/Singapore from 1997 to 2005 (as Vice President).

He was a Director of Investments for Khazanah Nasional Berhad from 2005 to 2008 where he sat on the Boards of Directors of a number of public listed companies including UEM World Berhad, PLUS Expressways Berhad, UEM Builders Berhad, PT Bank Lippo Tbk and PT Excelcomindo Pratama Tbk. His duties as a Director of Investments in Khazanah entailed identifying investment opportunities, and to monitor and manage those investments.

He joined Malayan Banking Berhad ("**Maybank**") in January 2009 as Head of International Businesses and was subsequently appointed as Deputy President & Head, Global Banking (formerly known as Global Wholesale Banking), and Head of International Businesses in 2010 until 2013.

He then held the role of Executive Director/Group President & Chief Executive Officer ("**GPCEO**") of Maybank for 9 years from 2 August 2013 until his retirement on 30 April 2022. His key responsibilities included leading the group leadership in formulating long term strategies and annual business plans, and in the execution of the operating plans for the Maybank group and each of its subsidiaries, and branches. As the GPCEO he chaired the Group Executive Committee, the Group Asset and Liability Committee and the Group EXCO Sustainability Committee. He was also a member of the Board Credit Review Committee.

When Tan Sri Abdul Farid Alias was with Maybank, he was also a member of the Board of Commissioners and subsequently the President Commissioner of PT Bank Maybank Indonesia, Tbk from 2013 until 2017 and from 2017 to 2022 respectively. He was a member of the Board of Director of Maybank Singapore Limited from 2018 until 2022. He also sat on the Boards of Maybank Investment Bank Berhad and Maybank Ageas Holdings Berhad from 2011 to 2017 and 2013 to 2017 respectively. From 2013 until 2022, he was the Chair of the Association of Banks in Malaysia, and the Vice Chair of the Asian Institute of Chartered Bankers, and a member and subsequently a Co-Chair of the Emerging Markets Advisory Council for the Institute of International Finance based in USA.

He was also appointed to the Board of Bursa Malaysia Berhad on 8 July 2022 as an Independent Non-Executive Director.

He has also held other directorships of various other companies in the past five (5) years, details of which are as set out in Section 4.1 of this Appendix VI.

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT *(Cont'd)*

(ix) Datuk Iain John Lo (Malaysian, aged 60)
Independent Non-Executive Director

Datuk Iain John Lo is currently the Independent Non-Executive Director of Digi. He will remain as the Independent Non-Executive Director of MergeCo upon completion of the Proposed Merger.

He obtained his Bachelor and Master of Science in Civil Engineering degree from the University of California, Los Angeles in 1986 and 1987 respectively.

Following his graduation, he joined an engineering consultancy firm, Konsortium Malaysia, in Kuching as a civil engineer between 1987 and 1990.

Datuk Iain John Lo joined Sarawak Shell Berhad and started his career with Shell as a Field Engineer in 1990. He held positions in Front End Engineering, Economics and Performance Management with Sarawak Shell Berhad until he was posted to Shell International BV as a New Business Development Co-ordinator in 1996 until 1998.

Between 1998 to 2004, Datuk Iain John Lo was transferred to Shell's Gas Directorate as General Manager at Shell Malaysia Ltd and at Shell Gas & Power International BV in Singapore with responsibilities for Shell's liquefied natural gas (LNG) joint ventures in Malaysia and Russia respectively. He also took on the role with Shell International in The Hague as the Asia Pacific Regional Advisor to Shell's Executive Committee between 2004 and 2006. In 2006 until 2012, Datuk Iain John Lo was appointed as Shell Chemicals Ltd's Vice President for Joint Ventures and New Business Development based in Singapore, with primary accountability for Shell Chemical Ltd's non-operated joint ventures and for developing new chemical projects in the Middle East, China, Singapore and the US.

He was appointed to the Board Directors of Singapore's Economic Development Board in 2009 and served till 2012.

He returned to Malaysia in 2012 as Chair of Shell Malaysia Ltd. and Managing Director of Sarawak Shell Berhad and Sabah Shell Petroleum, the former positions he served until his retirement in 2021. He was also the Chair of Shell Refining Company (Federation of Malaya) Bhd (now known as Hengyuan Refining Company Berhad) until the company was sold in 2016. Datuk Iain John Lo relinquished his position as Managing Director of Sarawak Shell Berhad and Sabah Shell Petroleum in 2017 and was appointed as Asia Pacific Commercial Vice President for Shell's Exploration & Production (E&P) and Integrated Gas businesses, with accountability for acquisitions, divestments and new business development. He retired as the Country Chair of Shell Malaysia Ltd. on 31 March 2021 with extensive experience and roles for over 30 years in Shell businesses both in Malaysia and abroad.

Datuk Iain John Lo was appointed as an Independent Non-Executive Director of RHB Bank Berhad since September 2020. He is also an Independent Non-Executive Director of RHB Investment Bank Berhad since April 2021, and serves as a member of the Board Nominating & Remuneration Committee and of the Board Audit Committee. In August 2022, he was appointed as Chair of the RHB Bank Berhad's Board Sustainability Committee. In addition, Datuk Iain John Lo was also an Independent Non-Executive Director of Sapura Energy Berhad, a position he held between 1 May 2021 and 31 May 2022.

He has also held other directorships of various other companies in the past five (5) years, details of which are as set out in Section 4.1 of this Appendix VI.

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

- (x) **Khatijah Begom Shah Mohamed** (Malaysian, aged 67)
Independent Non-Executive Director

Khatijah Begom Shah Mohamed is currently an Independent Non-Executive Director of Celcom, the position she held since 20 April 2016. She will be appointed as the Independent Non-Executive Director of MergeCo upon completion of the Proposed Merger.

Khatijah Begom Shah Mohamed holds a Diploma in Computer Science from Institute Technology MARA (now known as Universiti Teknologi MARA) in 1978 where she was awarded the Top Student Award.

Khatijah Begom Shah Mohamed began her career with International Business Machines Corporation ("**IBM**") in 1978 where she served for 15 years in Sales and Marketing, Business Development and General Management. Her key responsibilities included all aspects of business development, strategic planning, achievement of company objectives. She had also worked in Hong Kong and the USA whilst with IBM.

She was later appointed in 1994 as the Managing Director of Oracle Systems Malaysia Sdn Bhd for 4 years. Her duties included all aspects of strategic planning, market development, establishing the partnership framework, talent building. She was awarded the Managing Directors Award in 1996 from the Oracle Asia Pacific Division.

Khatijah Begom Shah Mohamed later joined SAP Malaysia Sdn Bhd in September 1999 as Managing Director, responsible for Malaysia, Brunei and Pakistan markets where she held such position until 2005. From 2005 to 2007, Khatijah Begom Shah Mohamed was appointed as the General Manager of SAP AG, Dubai Office, responsible for SAP's business in the Middle East Region, comprising of 15 countries where she carried both revenue and profit objectives for SAP's Middle East Operations.

From 2007 to 2014, she delved into entrepreneurship by starting her real estate business in Dubai under Engel & Voelkers Franchise, a global German real estate company. Her business focused in providing real estate investments and rental opportunities to potential investors.

Khatijah Begom Shah Mohamed had also served as a Board Member of Mimos Berhad, Malaysia's national and Applied Research and Development Centre, from 1999 to 2005.

She is also the member of Board Audit Committee of Celcom since 20 April 2017 and the Chair of its Board Risk & Compliance Committee since 7 April 2020. She was the Chair and member of the then Board IT Steering Committee and Board Dispute Resolution Committee of Celcom since 6 June 2016 and 20 April 2017 respectively before both were dissolved on 3 April 2018 and 23 March 2020 respectively. Khatijah Begom Shah Mohamed was also a member of the Cyber Security Steering Committee of Axiata since 26 May 2016 before its dissolution on 28 August 2019.

She has also held other directorships of various other companies in the past five (5) years, details of which are as set out in Section 4.1 of this Appendix VI.

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)**3.2 Proposed Key Senior Management**

The profiles of the proposed key senior management of MergeCo are as follows:

(i) **Datuk Mohamad Idham Nawawi** (Malaysian, aged 54)
CEO

Datuk Mohamad Idham Nawawi is currently the CEO and Executive Director of Celcom. He will be appointed as the CEO of MergeCo upon completion of Proposed Merger and he will be responsible for the effective management of the MergeCo Group's business affairs and to lead the implementation of the financial, strategic and organisational performance policies and strategies agreed upon by MergeCo Board to maximise shareholder value.

He obtained his Bachelor of Science in Mechanical Engineering, University of Rochester, New York, USA in 1990 and attained his Master of Communications Management, University of Strathclyde, Glasgow, Scotland in 2002. He is a Chevening scholar.

He started his career as an Engineer for Carl Zeiss in Princeton, New Jersey, USA, before venturing into Information and Communication Technology with IBM between 1991 and 1994. Subsequently in 1994, he joined Maxis Berhad (formerly known as Binariang Sdn Bhd) in Malaysia and held various senior management positions where he was mainly responsible for Business Development, Enterprise Sales and Corporate Office before his departure in 2005. He then joined PT Natrindo Telepon Seluler (AXIS) in Indonesia as a Head of Strategy and Corporate Affairs from 2005 to 2008. Thereafter from 2009 to 2011, he served as Chief Operating Officer of Packet One Networks in Malaysia and was involved in the rollout of nationwide Fixed Wireless Access Broadband Services.

Prior to joining Celcom, he was the Group Chief Corporate Officer for Axiata from 2012 to 2018, responsible for Group Regulatory Management, Corporate Communications, Corporate Affairs and Government Relations and Axiata Group Program and Governance Office. He also sat on various boards within the Axiata Group subsidiaries.

In 2017, he was appointed to the Board of Celcom and in 2018, he was appointed as the CEO and Executive Director of Celcom. He is also a Director of Celcom Mobile, a wholly-owned subsidiary of Celcom and a Director of Tune Talk, a joint venture company of Celcom respectively since 2018.

Over the years, Datuk Mohamad Idham Nawawi has garnered over 30 years of experience in telecommunications and IT industry in Malaysia and other countries in the region.

He also holds directorship and shareholdings in various other private limited companies, details of which are as set out in Section 4.2 of this Appendix VI.

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT *(Cont'd)*

- (ii) **Albern Murty** (Malaysian, aged 49)
Deputy CEO

Albern Murty is currently the CEO of Digi. He will be appointed as the Deputy CEO of MergeCo upon completion of Proposed Merger and he will be responsible for the effective day-to-day operations of the MergeCo Group's business in accordance with strategic plan, operating and capital expenditure budgets as approved by MergeCo Board.

He graduated with a Bachelor of Science in Marketing and Advertising Management from the Portland State University, Oregon, USA in 1995.

Albern Murty commenced his career as a Marketing Executive in Dectra Sdn Bhd in October 1995. Thereafter, prior to him joining Digi Group, he joined Lucent Technologies Inc and his previous experience includes business and commercial management roles supporting activities across the Asian region.

Since joining Digi Tel in 2002, he has held roles in Project Planning and Controls, Product Management and Product Development, and as Head of Strategy and New Business, Acting Co-Chief Marketing Officer and Chief Marketing Officer. From 2014 to 2015, he assumed the role of Chief Operating Officer of Digi Tel and was responsible for the customer and operations division. He was promoted to his current position as the CEO of Digi since 2015. Additionally, he is also a Director of the wholly-owned subsidiaries of Digi, including Digi Tel and InfraNation Sdn Bhd since 2015.

He has over 20 years of experience in the telecommunications industry.

He has also held other directorships of various other companies in the past five (5) years, details of which are as set out in Section 4.2 of this Appendix VI.

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MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT *(Cont'd)*

(iii) Praveen Rajan Nadarajan (Malaysian, aged 43)
Chief Consumer Business Officer

Praveen Rajan Nadarajan is currently the Chief Marketing Officer at Digi. He will be appointed as Chief Consumer Business Officer of MergeCo upon completion of Proposed Merger and he will be responsible for setting direction and providing leadership within the commercial areas in order to efficiently capture growth and value from the consumer market for mobile connectivity and digital products and services. This includes, customer life cycle management, customer segmentation, product development and management of core connectivity products, partnerships, pricing and go-to-market planning and execution. He will be responsible for driving a customer focused organisation with continuous enhancement of customer experience through digitization of customer journeys and interfaces.

He graduated with a Bachelor of Engineering, Electronics and Computing from the Nottingham Trent University, Nottingham, England in 2000.

Following graduation, he started his career as a Senior Consultant (Online CRM) for Neuroweb Sdn Bhd between 2000 and 2003. He was responsible for web development projects focused on e-commerce and CRM.

In 2003, he co-founded a social networking startup called LifeLogger (under Orientations Network Sdn Bhd), where he served as the Chief Technology Officer until 2006.

He joined Digi Tel in 2007 and has held multiple leadership positions. These include Senior, Product Strategy Pricing from 2007 to 2008, Senior, Consumer Marketing MNP in 2008, Principal, Consumer Marketing 3G in 2009, Head, Advanced Data Services from 2010 to 2011, Head, Product, Internet and Services from 2011 to 2015 and Head Postpaid and Digital Services from 2015 to 2016. He was promoted to Chief Digital Officer and became part of Digi's Management Team in 2016, responsible for leading the Digi-X function, a venture-building unit of Digi and also responsible for certain business-to-business solutions. In 2020, he was appointed as the Chief Marketing Officer of Digi and is responsible for business-to-consumer products, marketing, customer service and experience.

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MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

(iv) Joachim Parsanth Rajaram (Malaysian, aged 46)
Chief Corporate Affairs Officer

Joachim Parsanth Rajaram is currently the Chief Corporate Affairs Officer of Digi. He has overall responsibility for the company's legal, regulatory, privacy, government affairs and projects, corporate communications, and sustainability functions. He will be appointed as Chief Corporate Affairs Officer of MergeCo upon completion of Proposed Merger and will be responsible for developing long-term reputation building of the organisation, influencing and ensuring compliance to regulatory frameworks, overseeing government engagement and public affairs, and overseeing legal, and privacy compliance to mitigate any legal risk for the business. He will also lead strategic external and internal communications and be an advocate for the organisation's efforts on sustainability and ESG ambitions.

He graduated with a Bachelor of Laws degree from the University of London in 1998. He has also attended executive education programmes at the London Business School in 2014 and Institut Européen d'Administration des Affaires (INSEAD) in 2016.

Following graduation, he started his career as a Consultant for Asia Public Relations Sdn Bhd between 1997 and 2000, where he delivered strategic communications efforts for clients in automotive and consumer goods industries.

In 2000, he joined Cell Networks AB (Malaysia) as the Communications Manager. His duties included managing external and internal communications for the company until 2002.

In 2002, he then founded Blitz Communications Sdn Bhd with a partner and managed it until 2003. The company managed media relations for several Malaysian and multinational companies.

Between 2004 and 2008, he joined Weber Shandwick in Malaysia as Director, Technology Practice where he led public relations and communications efforts for a number of large organisations, including Celcom, Microsoft, MasterCard and Emirates.

He joined Digi in 2008, first as part of the Corporate Responsibility department and later as Head of Communications & Sustainability, helming this role until 2015. He was responsible for the entire communications portfolio (corporate, financial, go-to-market, sustainability and internal communications). He also designed the company's business sustainability framework and led change management and culture activities to support the company's business transformation programme.

From 2015 until 2017, he was Vice President – Head of Corporate Communications at Telenor Myanmar Limited on a long-term assignment, responsible for all internal and external communications for the company, and driving a number of industry efforts on behalf of the company.

He returned to Malaysia and to Digi in 2017, and was the Growth and Partnerships lead in Digi's Digi-X from 2017 to 2018, driving the development of FinTech, Connected Vehicles/IoT and e-commerce. In 2018, he was appointed as the Chief Corporate Affairs Officer of Digi and became part of Digi's management team.

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

(v) Kesavan Sivabalan (Malaysian, aged 54)
Chief Technology Officer

Kesavan Sivabalan is currently the Chief Technology Officer of Digi and also the Chief Technology Officer of Developed Asia Cluster in the Telenor Group. He will be appointed as the Chief Technology Officer of MergeCo upon completion of Proposed Merger and he will be responsible for overseeing the Network and IT value chains, including planning, development, operations and security of technology platforms and services needed to enable the business to deliver its customer promise. He will also be tasked to drive strong collaboration with key partners to deliver together and look for continuous improvement to replace legacy technologies. In addition, he will also be responsible for maintaining leadership by setting direction, operationalizing transformational initiatives, capitalizing on new capabilities emerging from technological shifts and new ways of work.

He obtained his Bachelor of Business degree from Deakin University, Australia in 1993 and a Master of Science in Enterprise Project Management from the Stevens Institute of Technology, New York, USA in 2000.

Following graduation, he started his career as a Production Planner at Grundig (M) Sdn. Bhd. and Sony Electronics (M) Sdn. Bhd. in 1994, responsible for material and production planning.

In 1995, he worked at ABB-Daimler Benz (M) Sdn. Bhd. as a Project Manager on the STAR LRT full-build operate & transfer project.

He then joined Lucent Technologies (M) Sdn Bhd, a telecommunications equipment company, in 1996 and served as a Project Manager in Malaysia, Australia and Germany until 2002.

In 2002, he joined Trisilco Folec Sdn. Bhd., a telecommunications company that provides consulting, turnkey management and telecommunications services as a Senior Manager until 2004.

In 2004, he joined Maxis Communications Berhad as the Head of Network until 2007.

From 2007 to 2012, he worked for Ericsson group of companies and was deployed to LM Ericsson Bangladesh Ltd. and Ericsson Vietnam Company Limited as the Program Director for a green field operator and to Ericsson Australia Pty Ltd as the Program Director for Transformation.

In 2012, he joined Vodafone Hutchison Australia Pty Ltd as General Manager, Access Network.

He joined Digi in 2013 as Head of Operations. In this role, he was responsible for managing Digi's network operations for 2 years. He was promoted to Chief Network Officer and became part of Digi's Management Team in 2015, responsible for Digi's network end to end, including strategy, planning, rollout and operations. In 2017, he was given the role of Chief Technology Officer, with responsibility of the network and IT value chain end to end. In addition to his role as Digi's Chief Technology Officer, he also has additional responsibility to oversee Technology functions at the Developed Asia Cluster level for Telenor.

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

(vi) Cheng Weng Hong (Malaysian, aged 43)
Chief Sales & Retail Officer

Cheng Weng Hong is currently the Chief Sales Officer of Digi. He will be appointed as Chief Sales & Retail Officer of MergeCo upon completion of Proposed Merger and he will be responsible for developing and leading the nationwide consumer sales and distribution strategy and execution activities to meet revenue and sales growth targets. He will also develop strong collaboration with distribution and device partners, setting the channel and retail strategy, delivering on current expectations while driving future commercial sales success by developing the sales organisation towards business model simplification focusing on digitizing the distribution channels and customer touchpoint processes.

He graduated with a Bachelor of Engineering (Civil and Computing) degree from Monash University, Australia in 2000.

Following graduation, he started his career as a Project Engineer for Trisilco Folec Sdn Bhd, a telecommunications company that provides consulting, turnkey management and telecommunications services, between 2001 and 2002. He was responsible for full turnkey management of construction, mechanical and electrical works for telecom facilities, including site survey, design, project management, testing and acceptance. He then served as Head of Central and Eastern Region in the same organisation from 2002 to 2004, managing turnkey projects for Maxis telecommunications' facilities.

In 2004, he joined Digi Tel as Project Manager in Product Development. His duties included planning and managing the implementation of marketing projects and setting up the Project Management Office function for Digi.

In 2006, he served as Head of Value-Added Service and was responsible for value-added service product portfolio and development.

In 2007, he was Head of Access and Platform in Product Development, developing the access and platform strategy and implementation of new intelligent network and core billing systems.

From 2008 to 2012, he was Head of Happy, which was a prepaid product/brand designed and developed for Kelantan and Terengganu market. He was responsible for brand building, product development, pricing, go-to-market, distribution, channel management and customer relationship management.

From 2012 to 2017, he was the Head of Retail and Controlled Channel, responsible for managing Digi's retail business of around 30 flagship stores and around 200 franchise outlets.

He became the Head of Consumer Sales in 2017 and was in this role until 2020. He was responsible for sales planning, enablement and operations of all business-to-consumer channels, as well as device management.

He was promoted as Chief Sales Officer and became part of Digi's Management Team in 2020. He is responsible for the entire business-to-consumer sales value chain in this role, including oversight of regional execution.

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT *(Cont'd)*

(vii) Azmi Ujang (Malaysian, aged 62)
Chief Human Resources Officer

Azmi Ujang is currently the Chief Human Capital and Organisation Development Officer of Celcom. He will be appointed as the Chief Human Resources Officer of MergeCo upon completion of Proposed Merger, responsible for the development and execution of the people and organisational agenda, which includes building organisational capabilities through a robust development, talent management and rewards programs, developing employer brand, enhancing employee experience and services.

He obtained his BSc. (Finance) and Master of Business Administration, both from the Indiana State University in 1983 and 1984 respectively. He also completed the Management Program with the London Business School in 2001 and the Advance Management Program with the Harvard Business School in 2011.

Following graduation, he started his career as a Dealer Representative for Seagrott & Campbell Sdn Bhd in 1985.

Also in 1985, he left Seagrott & Campbell and joined Standard Chartered Bank Berhad as a Management Trainee and appointed as Covenanted Officer. He was initially responsible for cash management for the Klang Valley and subsequently as an Officer in the Human Resources Department, where he served until 1992.

In 1992, he joined Maxis Berhad as Manager, Contracts Manager in the Legal Department and also held various positions until 2013, including as the Senior Vice President and the Head of Human Resources and as the Senior Vice President and Head of Regulatory, Compliance and Government Relations. As Senior Vice President and Head of Regulatory, Compliance and Government Relations in Maxis Berhad, Azmi Ujang was responsible for ensuring the company's strategic regulatory position and spectrum were safeguarded and built strategic alliances and coalitions with key ministries and government agencies to support the company's business priorities. He also supported Maxis group operations to provide strategic direction and guidance in setting up of operations during acquisition of new subsidiaries overseas.

Between 2014 and 2016, he took a career break to concentrate on his personal matters.

In June 2016, Azmi Ujang joined Axiata as a Consultant and subsequently as a full time employee in September 2016 and was seconded to Celcom as the Chief Human Capital and Organisation Development Officer, which is his present role. His duties covered providing leadership for end to end human capital management ranging from talent acquisition to talent development and management, manpower optimization, organisation design and development.

He has also held other directorships of various other companies in the past five (5) years, details of which are as set out in Section 4.2 of this Appendix VI.

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

(viii) Datuk Kamal Khalid (Malaysian, aged 51)
Chief Transformation Officer

Datuk Kamal Khalid is currently the Chief Corporate and Transformation Officer at Celcom. He will be appointed as the Chief Transformation Officer of MergeCo upon completion of Proposed Merger and he will be responsible for driving post-merger integration in the short to medium term, working with relevant internal and external stakeholders to oversee all major integration initiatives. He will lead other transformation initiatives such as enterprise digitisation of backend activities, overseeing project management office, data governance and operational excellence functions.

He obtained his Bachelor of Laws (LLB) from the University of Nottingham in 1994.

Following his graduation, he started his career as a Corporate Finance Executive for Bumiputra Merchant Bankers Berhad between 1994 and 1996, during which time he was involved in a variety of corporate advisory and capital raising exercises.

In 1996, he joined Kampong Yan Corporation Sdn Bhd as an Assistant Manager in the Business Development division. His duties included evaluation of business and investment opportunities and the preparation of tender submissions.

In 1997, he left Kampong Yan Corporation Sdn Bhd and joined Southern Bank Berhad as an Assistant Manager of the Group Finance division in which his duties included assisting in the coordination of the corporate finance exercises for the group, investor relations and special projects related to venture funding. He left the company in 1998.

Between 1998 and 2001, he joined Kuala Lumpur Stock Exchange ("**Exchange**") (now known as Bursa Securities) as an Assistant Manager in the Strategic Planning and International Affairs Department and he was subsequently promoted to a Manager, International Affairs in which his responsibilities were primarily to coordinate the Exchange's involvement in the international bodies. He was also part of the Secretariat for the International Communications Team, a cross-agency task force formed to promote Malaysia as a destination for portfolio investors in the aftermath of the 1998 Asian Financial Crisis.

Between 2001 and 2003, he joined the Government as Special Officer to the Deputy Prime Minister, which entailed being a policy aide on a variety of topics, including corporate restructuring, investor relations and sustainability.

In 2003, he became the Head of Communications for the Prime Minister of Malaysia, where his responsibilities included coordinating media and external relations for the Prime Minister's Office, and structuring policy communications for the Prime Minister's signature programmes and initiatives.

In 2009, he left the Prime Minister's Office and joined Media Prima Berhad as a Chief Operating Officer, Business Development & International where he was responsible in overseeing the company's international businesses and new revenue opportunities. During his tenure in Media Prima Berhad, he held various positions including as a Chief Operating Officer, TV Networks Shared Services between 2012 and 2013 where he was responsible in engineering, research, regulatory affairs and content sales. Between 2014 and 2015, he was appointed as the Chief Operating Officer, Shared Services and his areas of responsibilities included international business, shared services, Government relations and stakeholder management, corporate communications and content sales & distribution. In 2016, he was appointed as the CEO, TV Networks and he was subsequently promoted to become the Group Managing Director in 2017.

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT *(Cont'd)*

He concluded his tenure as the Group Managing Director of Media Prima Berhad in 2020 and he took a career break to concentrate on his personal matters before joining Celcom in 2021 to assume his role as the Chief Corporate and Transformation Officer where his duties include overseeing functions such as regulatory affairs, legal, community, sustainability and the company's enterprise project management office. He was also appointed as the Lead of the Merger Integration Team in July 2021.

He has also been an Independent Non-Executive Director at Tomypak Holdings Berhad since September 2020.

He has also held other directorships of various other companies in the past five (5) years, details of which are as set out in Section 4.2 of this Appendix VI.

(ix) Erik Axel Sigurd Marell (Swedish, aged 54)
Chief Strategy Officer

Erik Axel Sigurd Marell is currently the Chief Strategy Officer and Head of CEO Office at Celcom. He will be appointed as the Chief Strategy Officer of MergeCo upon completion of Proposed Merger and he will be responsible for Corporate Strategy ownership and working closely with the CEO and Deputy CEO in shaping the company's long-term strategy and business priorities, which includes leading the corporate strategy development process, creation of long-range business plan, defining MergeCo's corporate scorecard and tracking performance. He will also be the primary person responsible for corporate development and strategic partnerships such as industry led strategic initiatives, mergers and acquisitions, and joint ventures. He will oversee the communication of strategy throughout organisation and ensure long term plans are effectively translated and interpreted into short-term programs for execution.

He obtained his B.Sc. in Business Administration and Economics, majoring in Finance from the University of Umea in 1993.

Following graduation, he started his career as staff member of the Finance Department and Telia Graduate Trainee in Telia AB (Telecom Operator) between 1993 and 1995. He was responsible for financial and management reporting.

In 1995 he joined Telia Swedtel Phils. Inc. (Management Consulting Services) in the Philippines as the Treasurer and Assistant to the President. He was responsible for the finance and business operations of the company and he was a Deputy Project Manager for a transformation program.

In 1997, he then joined Telia Swedtel AB (Management Consulting Services) in Stockholm, Sweden as the Regional Director/Business Manager Asia. His duties covered sales and delivery of telecom consulting services in Asia, including the profit and loss responsibility.

Subsequently, in 1999 he joined Swedia Networks AB (Professional services and Systems Integration) as the Regional representative Asia based in Kuala Lumpur. His duties covered sales and marketing of professional services.

In 2002, he was appointed as the Managing Director of Swedianet Sdn Bhd, a company principally involved in professional services and systems integration. His duties covered sales and delivery of professional services telco and original equipment manufacturer clients in Asia.

In 2004, Swedianet Sdn Bhd was acquired and renamed to Swedtel Southeast Asia Sdn Bhd, a company involved in the Management Consulting Services, where he maintained his roles as the Managing Director. His duties covered sales and delivery of a broad portfolio of telecom management and operations consulting services in Asia.

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT *(Cont'd)*

After his departure from Swedtel Southeast Asia Sdn Bhd in 2008, he then joined British Telecoms group of companies as the Regional Director SEA of BT Singapore Pte. Ltd. In 2010, he was transitioned to Regional Director SEA of BT Systems (M) Sdn Bhd. His duties covered Business Development, Sales and Delivery of BT's consulting portfolio to Operator and Service Provider clients in Asia. In 2014, he transferred to the strategy team where his duties covered development and delivery of Strategy programs and Consulting engagements in SEA supporting BT's strategic multinational corporation and telco customers.

In 2016, he then joined Axiata as the Head of Corporate Strategy. His duties covered group-wide strategic planning process including annual Long-Range Plan and Business Plan, Lead and coordinate the mergers and acquisitions/portfolio management activities and development and implementation of key strategic initiatives at the group and operating companies.

He was subsequently transitioned to Celcom Axiata Berhad and assumed his present role as the Chief Strategy Officer. His duties covered formulating company and functional strategies, business plan and long-range plan. He is a Member of the Celcom Senior Leadership team and he is leading the Corporate Development function (merger and acquisitions, and joint ventures). He is also a member of Celcom's Network Investment Committee and Chair of Operating Committee for company-wide spending approvals. As the Head of CEO Office at Celcom, he is also responsible for leading a 3-year company-wide transformation program, performance management (senior management scorecards and key performance indicators).

He has also held other directorships of various other companies in the past five (5) years, details of which are as set out in Section 4.2 of this Appendix VI.

(x) Afizulazha Abdullah (Malaysian, aged 55)
Chief Enterprise Business Officer

Afizulazha Abdullah is currently the Chief Operations Officer (Technology) and Acting Chief Enterprise Business Officer of Celcom. He will be appointed as the Chief Enterprise Business Officer of MergeCo upon completion of Proposed Merger. He will be responsible for setting direction and leadership within the business-to-business ("B2B") commercial segment in order to efficiently capture growth and value from the corporate, public and SME market. He will also be responsible for building a holistic forward looking B2B strategy by engaging across different stakeholder functions, including brand positioning and management, B2B sales, customer acquisition and retention, solutions development and management, market communications and promotion strategy.

He obtained his Bachelor of Science in Computer Science from the California State University, Fresno in 1990.

Following his graduation, he started his career as Analyst Programmer at Perwira Habib Bank Berhad from November 1990 to July 1991. He was responsible for maintaining the current and savings account systems of the company.

From August 1991 until December 1992, he joined Tatsumori (Malaysia) Sdn Bhd as a Systems Engineer. His duties included development and delivery of the payroll, attendance tracking & monitoring and report systems.

He then joined IBM Malaysia in January 1993 as a System Analyst and left in September 2006 as a General Manager for Public Sector. During his tenure, he was responsible for planning, developing and executing strategies for public sector sales and distribution by leveraging key technologies and offerings. He was part of IBM Malaysia's Senior Management Team and Business Council.

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT *(Cont'd)*

In September 2006, he joined Maxis Berhad as the Head of Broadband and was promoted to Vice President of Maxis Home Services in May 2010, a position he held till April 2011. He was part of the team that launched Maxis Home Services and his main responsibilities included developing and executing home service strategies for both annual operating plan and long range plan.

From May 2011 to May 2018, he held various positions in Celcom as the Chief Advanced Data Officer, Chief Digital Services Officer, Chief Business Services and Solutions Officer, Project Director and Head of Operational Excellence. His duties included to setup, manage and grow the digital services business. He was also responsible for driving operational excellence across the Technology Group and overseeing the operations and maintenance for both active and passive equipment.

He was subsequently appointed as Managing Director of On Site Services Sdn Bhd in May 2018. The company subsequently became a subsidiary of edotco Malaysia (part of Axiata Group). He was responsible for improving the company's overall performance and growth.

In October 2020, he re-joined Celcom as the Chief Operations Officer (Technology). He is responsible for the deployment and implementation of all technology related matters of the company. He has also been the Chief Enterprise Business Officer for Celcom since November 2011 with the full responsibility to turnaround the business.

He has also held other directorships of various other companies in the past five (5) years, details of which are as set out in Section 4.2 of this Appendix VI.

(xi) Chee Loo Fun (Malaysian, aged 57)
Chief Home & Fibre Officer

Chee Loo Fun is currently the Chief Consumer Business Officer of Celcom. She will be appointed as the Chief Home & Fibre Officer of MergeCo upon completion of Proposed Merger, responsible for setting the agenda for delivering on MergeCo's convergence strategy. She will also be responsible for developing and driving strategic plans to advance fixed business, complemented by innovative product marketing strategy. She is also responsible for managing the MergeCo Group's brand portfolio.

She obtained her Bachelor of Arts (Hons) from Universiti Kebangsaan Malaysia in 1989. She also completed the Finance for Executives program with Insead, Singapore in 2004 and later, the Customized Executive Education with IBM/Harvard in 2009.

Following her graduation, she started her career as an Account Executive with Backer Spielvogel Bates (M) Sdn Bhd between 1989 and 1991.

In 1991 to 1999, she joined J. Walter Thompson Malaysia ("**JWT**") as an Account Manager and moved up the ranks to Director of Client Service – with one year secondment to JWT Shanghai.

Between 1999 to 2010, she held various positions in Maxis Communications Berhad, including as Senior Manager, Head of Postpay Marketing, General Manager, Head of Prepay Marketing, where she was responsible for driving the acquisition, revenue growth and retention of the Postpay and Prepay businesses, and as General Manager, Head of Retail & Handset Management, before being promoted to the position of Senior General Manager, Head of Channel Marketing, a position she held from 2010 to 2011.

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT *(Cont'd)*

Between 2011 to 2014, she was recruited to join Globe Telecom, Inc in the Philippines as a Senior Adviser, Head of Consumer Marketing. She was responsible for driving growth in the consumer mobile business across the postpay and prepay businesses, mobile data and VAS (value-added service). She was also responsible for Customer Lifecycle Management, Business Intelligence and Brand and Digital Marketing.

In January 2015 to February 2017, she was recruited to join Vodafone Hutchison Australia Pty Ltd as their Chief Marketing Officer where she was responsible for the Postpay and Prepay businesses, product management and pricing and customer value management, Brand, Segment marketing and Insights.

In August 2017, she was recruited by JobStreet.com Shared Services Sdn Bhd, a business entity within the SEEK Asia group of companies, as the Regional Chief Marketing Officer of SEEK Asia. During her tenure with SEEK Asia which lasted until June 2019, she was responsible for overseeing the regional and country marketing teams across Hong Kong, Singapore, Philippines, Indonesia, Thailand and Malaysia.

She resigned from SEEK Asia in July 2019 and undertook a career break until April 2021. Thereafter, she was recruited to join Celcom as Chief Consumer Business Officer, where she is responsible for the Prepay, Postpay and Convergence businesses, Brand and Marketing, Data Science and Analytics, Product Development and Quality Assurance, and Market Planning and Insights.

She has also held other directorships of various other companies in the past five (5) years, details of which are as set out in Section 4.2 of this Appendix VI.

(xii) Tan Moi Tsu (Malaysian, aged 64)
Chief Financial Officer

Tan Moi Tsu will be appointed as the Chief Financial Officer of MergeCo upon completion of Proposed Merger, responsible for holding a fiduciary responsibility for the financial health of the organisation. She will develop the financial strategy to drive business performance, which includes planning, organizing, and directing the finance functions including procurement. She will also ensure effective business partnership to other functions and be responsible for driving merger synergy realisation. Lastly, she will be responsible for modernising the finance organisation.

She obtained her Bachelor of Science with major in Chemistry and Diploma of Education from the University of Malaya in 1982 and 1984 respectively. She is a Certified Public Accountant, Australia (which she attained in 2008).

Following her graduation, she started her career as a chemistry teacher in Sabah Residential College, Kota Kinabalu between 1984 and 1985.

In 1985, she joined Price Waterhouse to do her articleship in pursuing the chartered accountancy course with The Malaysian Association of Certified Public Accountant. She was admitted to membership in 1989 and continued to work in Price Waterhouse until 1995. She was admitted to membership of the Malaysian Institute of Accountants in 1990.

In 1995, she then joined Sime Rengo Packaging (M) Sdn Bhd, a joint venture between Sime Darby Berhad and Rengo Co., Ltd of Japan as the Finance Manager. Her duties include overseeing the full function of finance, controlling, supply chain and IT.

She was transferred to Sime Darby Berhad – Malaysia Region in 1996 as the group Finance Manager where her duties cover group management reporting, working capital management, risk management and supporting transformation programs in subsidiaries.

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT *(Cont'd)*

In 1999, she was transferred to Sime Darby Marketing Sdn Bhd as the group Finance Manager where her responsibilities include overseeing the full function of finance, controlling, supply chain and divestment of unprofitable operations.

In 2001, she was transferred to Sime Darby Berhad as the Group Accountant, where her duties cover statutory and management reporting, merger and acquisitions, and managing the shared services of the Group.

Subsequently, she joined Maxis Berhad in 2005 as the General Manager – Network Finance. Her duties include overseeing the function of finance, control, budget, evaluation of network investments, network costing and cost transformation programmes.

In 2006, she was appointed the Financial Controller of Maxis Berhad where her duties include providing leadership, direction and management of the finance and accounting teams, including revenue assurance, taxation, business continuity, investment evaluation, budgeting and part of project team in major transformation projects.

In 2010, she then joined Dialog Axiata PLC as the Group Chief Financial Officer. Her duties included providing leadership, direction and management of the finance functions, business support operation, risk management, treasury management, investor relations and the administration function. She left Dialog Axiata PLC in 2019 and she took a career break before taking up the role as Senior Adviser – Merger Integration in Axiata in 2022, a position she currently holds.

She has also held other directorships of various other companies in the past five (5) years, details of which are as set out in Section 4.2 of this Appendix VI.

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MERGECO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT

4. PRINCIPAL DIRECTORSHIPS AND PRINCIPAL BUSINESS ACTIVITIES PERFORMED OUTSIDE THE MERGECO GROUP

4.1 Proposed Directors of MergeCo

Save as disclosed below, none of the proposed directors of MergeCo has any principal directorship or principal business activities performed outside the MergeCo Group for the past five (5) years prior to the LPD:

Name	Company	Principal activities	Designation / interest	Date of appointment / (resignation)	Percentage of interest as at the LPD (%)	
					Direct	Indirect
Tan Sri Dr. Halim Shafie**	Axiata	Axiata is a public listed company on the Main Market of Bursa Securities. It is an investment holding company and the group is principally involved in the provision of mobile communication services, telecommunication infrastructure and related services as well as digital services	Non-Executive Director	1 November 2020	Nil	Negligible ⁽¹⁾
	Smart Axiata Co., Ltd*	Mobile telecommunication services in Cambodia	Chair/ Non-Executive Director	9 February 2021 (Redesignated as Chair on 6 May 2021)	Nil	Nil
	Payments Network Malaysia Sdn Bhd ⁽²⁾	National payments network and shared central infrastructure for Malaysia's financial markets	Non-Executive Director	18 February 2009 (Resigned on 1 July 2018)	Nil	Nil
	MSD Innovation Sdn Bhd ⁽²⁾	IOT use in agriculture, environment and healthcare	- ⁽³⁾	1 December 2019	Nil	Nil

MERGECO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

Name	Company	Principal activities	Designation / interest	Date of appointment / (resignation)	Percentage of interest as at the LPD (%)	
					Direct	Indirect
Jørgen Christian Arentz Rostrup ^{(4)**}	Grameenphone Ltd. [^]	Grameenphone Ltd. is a public listed company on the Dhaka Stock Exchange. It is principally involved in the business of telecommunication operator	Non-Executive Chair	9 June 2020	Nil	Nil
	Total Access Communication PCL [^]	Total Access Communication PCL is a public listed company on the Stock Exchange of Thailand. It is principally involved in the business of telecommunication operator	Non-Executive Vice Chair	24 April 2020	Nil	Nil
	Roccasio AS	Dormant ⁽⁵⁾	Sole Proprietorship	-	-	-
	Allente Group AB (Allente) (formerly known as Canal Digital AS) [^]	Operates within the entertainment industry by providing high quality TV services via satellite and fibre.	Non-Executive Chair	8 March 2017 (Resigned on 22 April 2020)	Nil	Nil
	Telenor Broadcast Holdings AS [#]	Telecommunication services	Non-Executive Chair	24 March 2017 (Resigned on 17 December 2019)	Nil	Nil
	Telenor Networks Holding AS [^]	Expand, operate efficient networks for telecommunications as well as own and manage shares	Non-Executive Chair	1 November 2017 (Resigned on 29 June 2020)	Nil	Nil
	Telenor Holding AS [^]	Own and manage shares in companies that carry out support activities in relation to Telenor's other activities	Non-Executive Chair	7 December 2016 (Resigned on 29 June 2020)	Nil	Nil
	Telenor Communication II AS [^]	Own and manage shares in companies that carry out support activities in relation to Telenor's other activities	Non-Executive Chair	7 December 2016 (Resigned on 21 October 2020)	Nil	Nil
	Telenor Magyarország Zrt ⁽⁶⁾	Mobile operator company	Non-Executive Chair	22 June 2017 (Resigned on 31 July 2018)	Nil	Nil

MERGECO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

Name	Company	Principal activities	Designation / interest	Date of appointment / (resignation)	Percentage of interest as at the LPD (%)	
					Direct	Indirect
	DNA Oy*	Mobile operator company	Non-Executive Chair	31 October 2019 (Resigned on 26 March 2021)	Nil	Nil
	Norwegian UNICEF Control Committee (No kontrollutvalg)	Providing humanitarian and developmental aid to children worldwide	Member	22 November 2016 (Resigned on 21 November 2019)	Nil	Nil
Dr. Shridhir Sariputta Hansa Wijayasuriya** ⁽⁷⁾	Adknowledge Asia Pacific Pte. Ltd*	Consultants, specialist and agents in multimedia advertising and other related activities	Non-Executive Director	19 January 2015 (Resigned on 9 October 2018)	Nil	Nil
	Axiata Business Services Sdn Bhd*	Provision of international carrier services and enterprise solutions	Non-Executive Director	2 November 2016	Nil	Nil
	Axiata Digital & Analytics Sdn. Bhd.*	Investment holding and provision of multimedia advertising services as well as multimedia advertising sales support services	Non-Executive Director	26 November 2014	Nil	Nil
	Axiata Digital Services Sdn Bhd*	Investment holding, to manage and provide management consultancy, technical services in digital businesses and related industries in local and/or international markets	Non-Executive Director	<u>First term</u> 29 January 2014 (Resigned on 18 December 2017) <u>Second term</u> 21 December 2018 (Resigned on 19 March 2020)	Nil	Nil
	Apigate Inc.*	Technology enabler service	Non-Executive Director	4 September 2015	Nil	Nil
	Apigate (Private) Limited*	Dormant ⁽⁶⁾	Non-Executive Director	17 March 2016	Nil	Nil
	Axiata Digital Labs (Private) Limited*	Software development and IT enabled services venture of Axiata Group	Non-Executive Director	10 July 2018	Nil	Nil

MERGECO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

Name	Company	Principal activities	Designation / interest	Date of appointment / (resignation)	Percentage of interest as at the LPD (%)	
					Direct	Indirect
	Axiata Investments 1 (India) Limited*	Investment holding ⁽⁹⁾	Non-Executive Director	26 October 2010	Nil	Nil
	Axiata Investments 2 (India) Limited*	Investment holding ⁽⁹⁾	Non-Executive Director	26 October 2010	Nil	Nil
	Axiata Lanka (Private) Limited*	Property development and letting of property for commercial purposes	Non-Executive Director	15 October 1998	Nil	Nil
	Ceylon Chamber of Commerce	A business chamber in Sri Lanka	Non-Executive Chair	25 June 2015 (Resigned on 28 June 2021)	Nil	Nil
	Dialog Axiata PLC*	Dialog Axiata PLC is a public listed company on the Colombo Stock Exchange. It is principally involved in communication services, telecommunication infrastructure services, media and digital services	Non-Executive Director	19 January 2001	0.03	Nil
	Dialog Finance PLC*	Dialog Finance PLC is a public listed company on the Colombo Stock Exchange. It is principally involved in digital financial services	Non-Executive Chair	9 November 2017 (Resigned on 22 May 2020)	Nil	Nil
	Dialog Foundation*	Social stewardship	Trustee	13 December 2012	Nil	Nil
	Digital Lanka (Private) Limited*	Digital Investments holding company	Non-Executive Director	21 November 2014 (Resigned on 14 February 2020)	Nil	Nil
	Digital Commerce Lanka (Private) Limited*	E-commerce business	Non-Executive Chair	9 December 2012 (Resigned on 14 Feb 2020)	Nil	Nil
	Idea Cellular Ltd ⁽²⁾	Idea Cellular Ltd is a public listed company on the National Stock Exchange of India Limited. It is principally involved in mobile telecommunication services ⁽¹⁰⁾	Non-Executive Director	29 January 2013 (Resigned on 30 March 2018)	Nil	Nil

MERGECO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

Name	Company	Principal activities	Designation / interest	Date of appointment / (resignation)	Percentage of interest as at the LPD (%)	
					Direct	Indirect
	Multinet Pakistan (Private) Ltd ⁽²⁾	Information and communication solution provider ⁽¹⁰⁾	Non-Executive Director	17 February 2016 (Resigned on 8 November 2018)	Nil	Nil
	Ncell Axiata Limited*	Telecommunication services	Non-Executive Director	11 April 2016	Nil	Nil
	Robi Axiata Limited*	Robi Axiata Limited is a public listed company on the Dhaka Stock Exchange Limited and the Chittagong Stock Exchange Limited. It is principally involved in the mobile telecommunication services	Non-Executive Director	26 April 2016	Nil	Nil
	Smart Axiata Co., Ltd*	Mobile telecommunication services in Cambodia	Non-Executive Director	21 April 2017	Nil	Nil
	Sri Lanka Institute of Nanotechnology (Private) Limited	Research institute specialising in the field of nanotechnology	Non-Executive Director	9 April 2008 (Resigned on 18 July 2018)	Nil	Nil
	Suvitech Co. Ltd*	Owner and operation of a mobile virtual network enabler (MVNE) platform services for customer, enterprise and IoT services	Non-Executive Director	21 February 2019 (Resigned 1 July 2022)	Nil	Nil
	PT XL Axiata Tbk*	PT XL Axiata Tbk is a public listed company on the Indonesia Stock Exchange. It is principally involved in the telecommunication services, network and/or multimedia services provider	Non-Executive Commissioner	18 May 2020	Nil	Nil
	PT Link Net Tbk*	PT Link Net Tbk is a public listed company on the Indonesia Stock Exchange. It is principally involved in integrated telecommunication and multimedia services in Indonesia	Non-Executive President Commissioner	22 June 2022	Nil	Nil
	Colours of Courage Trust (Guarantee) Limited	A charitable trust addressing the needs of the National Cancer Institute, Maharagama	Trustee Director	12 March 2009	Nil	Nil

MERGECO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

Name	Company	Principal activities	Designation / interest	Date of appointment / (resignation)	Percentage of interest as at the LPD (%)	
					Direct	Indirect
	Sigiri Trust	Private charitable trust targeted to meet medical expenses of patients receiving treatment in government owned/operated medical institutions in Sri Lanka	Trustee	17 October 2018	Nil	Nil
	John Keells Holdings PLC	John Keells Holdings PLC is a public listed company on the Colombo Stock Exchange. It is principally involved in the business of a holding company managing a portfolio of investments and provides function based services to its subsidiaries, jointly controlled entities and associates. It has business interests primarily in transportation, leisure, property, consumer foods and retail, plantation services, financial services and information technology	Non-Executive Director	4 October 2016	Nil	Nil
	National Innovation Commission of Sri Lanka	Promoting and facilitating innovations of Sri Lanka	Member	10 May 2021	Nil	Nil
	Sigiriya Leisure (Private) Limited	Leisure property holding company ⁽¹¹⁾	Non-Executive Director / Shareholder	21 January 2011	100.00	Nil
	Sigiriya Residencies (Private) Limited	Property holding company ⁽¹¹⁾	Non-Executive Director / Shareholder	1 April 2015	100.00	Nil
	Sri Lankan Airlines Limited	Operation of international, scheduled / non-scheduled air services for the carriage of passengers, freight and mail as the designated carrier of Sri Lanka	Non-Executive Director	23 January 2020	Nil	Nil
	Sri Lanka Unique Identity Programme	National digital ID registration and implementation for Sri Lanka	Honorary Head	2 March 2020	Nil	Nil

MERGECO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

Name	Company	Principal activities	Designation / interest	Date of appointment / (resignation)	Percentage of interest as at the LPD (%)	
					Direct	Indirect
Haakon Bruaset Kjoel ⁽¹³⁾	Tangalle Leisure (Private) Limited	Leisure property holding company ⁽¹²⁾	Non-Executive Director / Shareholder	10 January 2012	60.00	Nil
	Telenor Asia Pte. Ltd. [^]	Investment holding company of companies in Asia in telecommunication services	Executive Director	18 August 2011	Nil	Nil
	Total Access Communication PCL [^]	A public listed company on the Stock Exchange of Thailand that is principally involved in the business of telecommunications operator	Non-Executive Director	First term 11 February 2014 (Resigned on 9 December 2019)	Nil	Nil
	Grameenphone Ltd. [^]	A public listed company on the Dhaka Stock Exchange that is principally involved in the business of telecommunications operator	Non-Executive Director	<u>Second term</u> 16 October 2020	Nil	Nil
	Telenor Limited [^]	Telecommunications company offering voice, data, IDD and roaming, and other communications services	Non-Executive Director	5 October 2016 (Resigned on 8 June 2021)	Nil	Nil
	Telenor Pakistan Limited [^]	Cellular and digital services provider in Pakistan	Non-Executive Director	30 April 2018 (Resigned on 30 November 2020)	Nil	Nil
	Telenor South Asia Investment Pte Ltd [^]	Investment holding company of companies in Asia in telecommunication services	Non-Executive Director	28 February 2012	Nil	Nil
	Telenor South East Asia Investment Pte Ltd [^]	Investment holding company of companies in Asia in telecommunication services	Non-Executive Director	27 February 2012	Nil	Nil
	Telenor Asia (IHQ) Limited [^]	Provision of consultancy/support services to Telenor groups operating companies	Non-Executive Director	25 March 2016	Nil	Nil
	Telenor Health AS [^]	Digital health services company	Non-Executive Director	31 August 2019 (Resigned on 21 February 2020)	Nil	Nil

MERGECO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

Name	Company	Principal activities	Designation / interest	Date of appointment / (resignation)	Percentage of interest as at the LPD (%)	
					Direct	Indirect
	Telenor GO Pte. Ltd. ¹	Management of human resource functions	Non-Executive Director	29 May 2014 (Resigned on 7 November 2019)	Nil	Nil
	Snøhetta AS	International architecture, landscape architecture, interior design and brand design	Non-Executive Director	15 January 2020	Nil	Nil
Thayaparan S Sangarapillai**	Axiata	Axiata is a public listed company on the Main Market of Bursa Securities. It is an investment holding company and the group is principally involved in the provision of mobile communication services, telecommunication infrastructure and related services as well as digital services.	Non-Executive Director	18 March 2020	Nil	Nil
	Petroleum Nasional Berhad ⁽²⁾	Exploration, development, and production of crude oil and natural gas	Non-Executive Director	24 September 2021	Nil	Nil
	Sime Darby Berhad ⁽²⁾	Sime Darby Berhad is a public listed company on the Main Market of Bursa Securities. It is principally involved in investment holding with investments in the industrial, motor, logistics, healthcare and insurance sectors	Non-Executive Director	1 December 2017	Nil	Nil
	AIG Insurance Berhad ⁽²⁾	Underwriting of all classes of general insurance business	Non-Executive Director	5 January 2018 (Resigned on 16 August 2022)	Nil	Nil

MERGECO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

Name	Company	Principal activities	Designation / interest	Date of appointment / (resignation)	Percentage of interest as at the LPD (%)	
					Direct	Indirect
	Robi Axiata Limited*	Robi Axiata Limited is a public listed company on Dhaka Stock Exchange and Chittagong Stock Exchange. It is principally involved in mobile telecommunication services	Non-Executive Director	First term 1 July 2015 (Resigned on 23 October 2016)	Nil	Nil
			Non-Executive Director	Second term 28 October 2016 (Resigned on 20 December 2020)		
			Non-Executive Director/ Non-Executive Chair	Third term 26 February 2021		
Leolaris Sdn. Bhd.	(Malaysia)	Wound up on 15 June 2017 ⁽¹⁴⁾	Shareholder	-	-	-
Etikamas Business Consulting Sdn. Bhd.		Dissolved on 12 August 2021 ⁽¹⁵⁾	Non-Executive Director / Shareholder	1 June 2015	-	_(15)
Alliance Bank Malaysia Berhad ⁽²⁾	Bank	Alliance Bank Malaysia Berhad is a public listed company on the Main Market of Bursa Securities. It is principally involved in banking business and the provision of related financial services	Non-Executive Director	10 May 2016 (Resigned on 19 August 2020)	Nil	Nil
edotco Group Sdn. Bhd.*		Investment holding and provision of technical and operations support services to its subsidiary companies involved in the telecommunications infrastructures and related industries in local and/or international markets	Non-Executive Director	12 May 2016 (Resigned on 30 September 2021)	Nil	Nil
Axiata Digital Services Sdn. Bhd.*	Digital	Investment holding, to manage and provide management, consultancy, technical services in digital businesses and related industries in local and/or international markets	Non-Executive Director	25 March 2020 (Resigned on 30 September 2021)	Nil	Nil

MERGECO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

Name	Company	Principal activities	Designation / interest	Date of appointment / (resignation)	Percentage of interest as at the LPD (%)	
					Direct	Indirect
Rita Skjaervik**(16)	Telenor Satellite AS [^]	European satellite provider covering the European, Middle East and North African (EMEA) market within broadcast and data communication services	Non-Executive Director	26 March 2020	Nil	Nil
	Telenor Norway AS [^]	Telecommunications operator including fixed and mobile telephony, broadband and data communication services for residential and business customers and wholesale services	Non-Executive Director	7 November 2018	Nil	Nil
	Telenor Networks Holding AS [^]	An associate / affiliate company of Telenor and an investment holding company with investments in various network related entities	Non-Executive Director	30 June 2020	Nil	Nil
	Digital Norway (Toppindustrisenteret)	Non-profit startup to support digitalisation in Norway, including developing learning modules for small and medium businesses	Non-Executive Director	28 June 2021	Nil	Nil
	Mnemonic AS	Cyber security service provider	Non-Executive Director	18 November 2019 (Resigned on 28 May 2021)	Nil	Nil
	Telenor Real Estate AS [^]	Investment holding company for real estate companies	Non-Executive Director	15 March 2017 (Resigned on 4 December 2019)	Nil	Nil
Vimala Menon**	Yayasan Abdul Rahman (YTAR)	Provision of scholarships and financial aid to students	Member of the Board of Trustees	10 November 2021	Nil	Nil
	Prince Court Medical Centre Sdn. Bhd.(2)	Healthcare services	Non-Executive Director	13 October 2011 (Resigned on 1 August 2018)	Nil	Nil

MERGECO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

Name	Company	Principal activities	Designation / interest	Date of appointment / (resignation)	Percentage of interest as at the LPD (%)	
					Direct	Indirect
	Petronas Chemicals Group Berhad ⁽²⁾	Petronas Chemicals Group Berhad is a public listed company on the Main Market of Bursa Securities. It is principally involved in investment holding of companies which are chemical producers	Non-Executive Director	13 August 2010 (Resigned on 13 August 2019)	Negligible ⁽¹⁷⁾	Nil
	Petronas Dagangan Berhad ⁽²⁾	Petronas Dagangan Berhad is a public listed company on the Main Market of Bursa Securities. It is principally involved in the domestic marketing of petroleum products and non-fuel business	Non-Executive Director	18 November 2011 (Resigned on 17 November 2020)	Nil	Nil
	Jardine Cycle & Carriage Limited	Jardine Cycle & Carriage Limited is a public listed company on the Singapore Exchange. It is an investment holding company and the group is principally involved in the manufacture, assembly, distribution and retail of motor vehicles and motorcycles, financial services, heavy equipment, mining, construction & energy, agribusiness, infrastructure and logistics, information technology and property, activities	Non-Executive Director	23 April 2017 (Resigned on 30 December 2021)	Nil	Nil
Tan Sri Abdul Farid Alias**	FNB Capital 2022 Sdn Bhd	Restaurants, export and import of a variety of goods without any particular specialisation and activities of holding companies	Shareholder	14 April 2022	14.75	Nil
	Smeal College of Business, Pennsylvania State University	Institution for higher business education	Member of the Board of Visitors	11 April 2019	Nil	Nil
	Malayan Banking Berhad ⁽²⁾	Malayan Banking Berhad is a public listed company on the Main Market of Bursa Securities. It is principally involved in the business of commercial banking and the provision of related financial services	Executive Director/Group President & Chief Executive Officer	2 August 2013 (Resigned on 30 April 2022)	Nil	Nil

MERGECO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

Name	Company	Principal activities	Designation / interest	Date of appointment / (resignation)	Percentage of interest as at the LPD (%)	
					Direct	Indirect
	PT Bank Maybank Indonesia Tbk	PT Bank Maybank Indonesia Tbk is a public listed company on the Indonesia Stock Exchange. It is principally involved in financial services and internet banking services	Non-Executive President Commissioner	6 December 2017 (Resigned on 30 April 2022)	Nil	Nil
	Maybank Singapore Limited	Retail and commercial banking	Non-Executive Director	3 November 2014 (Resigned 30 April 2022)	Nil	Nil
	Maybank Singapore Limited	Retail and commercial banking	Non-Executive Director	1 October 2018 (Resigned 30 April 2022)	Nil	Nil
	Cagamas Holdings Berhad ⁽²⁾	National mortgage corporation	Non-Executive Director	6 June 2013 (Resigned on 30 April 2022)	Nil	Nil
	The Association of Banks in Malaysia	Banking association	Chair	5 August 2013 (Resigned on 30 April 2022)	Nil	Nil
	Asian Institute of Chartered Bankers	Chartered bankers institute	Vice Chair	17 December 2013 (Resigned on 30 April 2022)	Nil	Nil
	Payments Network Malaysia Sdn Bhd ⁽²⁾	National payments network and shared central infrastructure for Malaysia's financial markets	Non-Executive Director	1 August 2017 (Resigned on 30 April 2022)	Nil	Nil
	Financial Industry Collective Outreach	Collaborative initiative pioneered by financial institutions in Malaysia with the support of Bank Negara Malaysia to provide underprivileged children and youth with guidance and educational tools	Non-Executive Director	28 July 2017 (Resigned on 30 April 2022)	Nil	Nil
	STF Resources Sdn Bhd	Owner and manager of AICB building	Non-Executive Director	11 February 2016 (Resigned on 30 April 2022)	Nil	Nil

MERGECO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

Name	Company	Principal activities	Designation / interest	Date of appointment / (resignation)	Percentage of interest as at the LPD (%)	
					Direct	Indirect
	Asian Banking School Sdn Bhd ⁽²⁾	Provision of banking and financial services education and learning programmes	Non-Executive Director	2 December 2015 (Resigned on 30 April 2022)	Nil	Nil
	Visa Asia Pacific Senior Client Council	Consultative body for Visa Inc. cards business for the Asia Pacific region	Member	20 September 2013 (Resigned on 30 April 2022)	Nil	Nil
	Emerging Markets Advisory Council, The Institute of International Finance, Washington DC	Consultative body for financial institutions focusing primarily on issues affecting countries in the emerging markets	Co-Chair	22 August 2013 (Resigned on 30 April 2022)	Nil	Nil
	ASEAN Bankers Association ⁽²⁾	Association of ASEAN bankers to raise the profile of ASEAN banking community	Chair	27 November 2019 (Resigned on 9 November 2021)	Nil	Nil
	Kumpulan Wang Amanah Negara	Receiving contributions, providing financing, and managing investments in accordance with the provisions of the National Trust Fund Act 1988	Member, Investment Panel	1 January 2018 (Resigned on 31 December 2020)	Nil	Nil
	Kumpulan Wang Amanah Pencen	Managing the pension trust fund established under section 13 of the Retirement Fund Act 2007 towards achieving optimum returns on its investments	Member, Investment Panel	1 October 2013 (Resigned on 15 May 2019)	Nil	Nil
	Etiqa International Holdings Sdn Bhd	Investment holding company which owns all of Maybank Group's insurance businesses beyond the markets already covered by Maybank Ageas Holdings Berhad	Non-Executive Director	1 April 2015 (Resigned on 1 September 2018)	Nil	Nil
	ABAC Malaysia Chapter Sdn Bhd	A consultative body with a mandate to help guide the efforts towards economic integration for ASEAN	Non-Executive Director	12 August 2016 (Resigned on 4 April 2018)	Nil	Nil

MERGECO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

Name	Company	Principal activities	Designation / interest	Date of appointment / (resignation)	Percentage of interest as at the LPD (%)	
					Direct	Indirect
	Bursa Malaysia Berhad ⁽²⁾	Bursa Malaysia Berhad is a public listed company on Main Market of Bursa Securities. It is an exchange holding company, whose principal activities are treasury management and the provision of management and administrative services to its subsidiaries	Non-Executive Director	8 July 2022	Nil	Nil
Datuk Iain John Lo**	RHB Bank Berhad ⁽²⁾	RHB Bank Berhad is a public listed company on the Main Market of Bursa Securities. It is principally involved in commercial and retail banking and other financial services	Non-Executive Director	15 September 2020	Nil	Nil
	RHB Investment Bank Berhad ⁽²⁾	Merchant banking business, dealing in securities, stockbroking business and brokers and dealers in futures and options contracts	Non-Executive Director	1 April 2021	Nil	Nil
	Sapura Energy Bhd ⁽²⁾	Sapura Energy Bhd is a public listed company on the Main Market of Bursa Securities. It is principally involved in provision of management services to its subsidiaries and investment holding of subsidiaries conducting vessel owning and chartering activities and provision of manpower services and others	Non-Executive Director	1 May 2021 (Resigned on 31 May 2022)	Nil	Negligible ⁽¹⁸⁾
	Shell Malaysia Ltd.	Oil and gas business	Non-Executive Chair	1 July 2012 (Retired on 31 March 2021)	Nil	Nil
	Shell Trading Sdn. Bhd. ⁽²⁾	Blending of lubricating oils and marketing of petroleum products	Non-Executive Chair	1 July 2012 (Retired on 31 March 2021)	Nil	Nil
	Shell (Malaysia) Sdn. Bhd. ⁽²⁾	Manufacturing and marketing of middle distillates and specialty chemicals from natural gas	Non-Executive Chair	28 July 2012 (Retired on 31 March 2021)	Nil	Nil

MERGECO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

Name	Company	Principal activities	Designation / interest	Date of appointment / (resignation)	Percentage of interest as at the LPD (%)	
					Direct	Indirect
	Provista Ventures Sdn. Bhd.	Property investment holding	Non-Executive Director	1 July 2012 (Retired on 31 March 2021)	Nil	Nil
	Shell New Ventures Malaysia Sdn. Bhd.	Investment holdings	Non-Executive Director	1 July 2012 (Retired on 31 March 2021)	Nil	Nil
	Shell Information Technology International Bhd	Dissolved on 17 October 2018 ⁽¹⁹⁾	Non-Executive Director	1 July 2012	Nil	Nil
	Malaysia Lng Tiga Sdn. Bhd.	Purchase and liquefaction of natural gas and marketing of liquefied natural gas	Non-Executive Director	25 July 2012 (Resigned on 26 September 2018)	Nil	Nil
	S&I Management Sdn. Bhd.	Restaurants	Non-Executive Director	13 October 2015 (Resigned on 13 November 2017)	Nil	Nil
	YG Republique Sdn. Bhd.	Dissolved on 10 January 2022 ⁽²⁰⁾	Non-Executive Director	2 October 2017 (Resigned on 9 March 2018)	Nil	Nil
	Apro Creations (M) Sdn. Bhd.	Dissolved on 7 April 2022 ⁽²¹⁾	Non-Executive Director	2 November 2016 (Resigned on 31 July 2019)	Nil	Nil
Khatijah Begom Shah Mohamed	Sanicare Hygiene Services Sdn Bhd	Providing hygiene; pest control services	Non-Executive Director / Shareholder	26 June 2015	13.68	Nil
	Prima Waste Sdn. Bhd.	Financial consultancy services; remediation activities and other waste management services; other service activities	Non-Executive Director	19 October 2020	Nil	Nil
	SSRV (M) Sdn. Bhd.	Building and facilities management services	Non-Executive Director	5 April 2017 (Resigned on 26 October 2018)	Nil	Nil

MERGECO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

Notes:

- * A subsidiary or associate/affiliate company of Axiata
 - ^ A subsidiary or associate/affiliate company of Telenor
 - # This company has merged with Telenor Communication II AS.
 - ** In addition to the interests set out in the table above, the proposed directors of MergeCo may have held shares in public listed companies in the past five (5) years prior to the LPD but if he/she did hold such shares, it was only for personal investment purposes only. Kindly refer to paragraph (iii) below for more details.
- (1) Deemed interested pursuant to section 8 of the Act through Tan Sri Dr. Halim Shafie's spouse direct shareholdings of 10,000 shares in Axiata (representing less than 0.01% of the total amount of Axiata's shares as at the LPD).
 - (2) Companies (other than those within the Axiata Group and Telenor Group) which are customer and/or supplier of the MergeCo Group within the past five (5) years prior to the LPD.
 - (3) Tan Sri Dr. Halim Shafie provides external training services to this company in his personal capacity.
 - (4) Jørgen Christian Arentz Rostrup is also the Executive Vice President and the Head of Telenor Asia at Telenor. He also holds 36,412 shares in Telenor (representing less than 0.01% of the total amount of Telenor shares as at the LPD).
 - (5) Previously engaged in the business of an investment and consultancy company. It has no future plans as at the LPD.
 - (6) Telenor Magyarország Zrt was divested by Telenor in July 2018.
 - (7) Dr. Shridhir Sariputta Hansa Wijayasuriya is the CEO of Telecommunications Business & Group Executive Vice President of Axiata and interim Joint Acting Group CEO of Axiata. He also holds 686,473 shares in Axiata (representing less than 0.01% of the total amount of Axiata Shares as at the LPD).
 - (8) Previously engaged in the business of developing and providing support services for software technologies, products and solutions. It has no plans as at the LPD.
 - (9) This company has no investments as at the LPD. Previously engaged in investments in Vodafone Idea Limited in India and this company's entire equity interests in Vodafone Idea Limited was disposed in 2019.
 - (10) Previously a subsidiary or associate/affiliate of Axiata up until 2018 where Dr. Shridhir Sariputta Hansa Wijayasuriya was a director in the company as a representative of Axiata.
 - (11) This company is not commercially active. Dr. Shridhir Sariputta Hansa Wijayasuriya is the sole shareholder in this entity that holds personal property for future development.
 - (12) This company is not commercially active. Dr. Shridhir Sariputta Hansa Wijayasuriya and his mother are sole shareholders and this entity holds personal property for future development.

MERGECo'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

- (13) *Haakon Bruaset Kjoel is the Senior Vice President and Head Investment Management for Malaysia at Telenor Asia. He holds 24,528 shares in Telenor (representing less than 0.01% of the total amount of Telenor shares as at the LPD).*
- (14) *Previously engaged in the business of operating a restaurant and pub. Thayaparan S Sangarapillai had a shareholding of 13.60% in the company prior to it being wound up on 15 June 2017.*
- (15) *Previously engaged in business advisory services. Thayaparan S Sangarapillai had a shareholding of 50.00% in the company prior to it being dissolved on 12 August 2021.*
- (16) *Rita Skjaervik is currently the Executive Vice President at Telenor, where she heads the Group People, Sustainability & External Relations unit. She holds 11,793 shares in Telenor (representing less than 0.01% of the total amount of Telenor shares as at the LPD).*
- (17) *Vimala V.R. Menon holds 20,000 shares in Petronas Chemicals Group Berhad (representing less than 0.01% of the total amount of Petronas Chemicals Group Berhad's shares as at the LPD).*
- (18) *Deemed interested pursuant to section 8 of the Act through Datuk Iain John Lo's spouse direct shareholdings of 250,000 shares in Sapura Energy Berhad (representing less than 0.01% of the total amount of Sapura Energy Berhad's shares as at the LPD).*
- (19) *Previously engaged in information technology services business. The company was dissolved on 17 October 2018.*
- (20) *Previously engaged in investment advisory services, real estate and operating restaurants. The company was dissolved on 10 January 2022.*
- (21) *Previously engaged in operating restaurants. The company was dissolved on 7 April 2022.*

The involvement of the proposed directors of MergeCo in other businesses and corporations as highlighted above are not expected to affect their contribution to the MergeCo Group as none of the proposed directors are holding executive roles in the MergeCo Group and they are not expected to be actively involved in the management and day-to-day operations of the MergeCo Group upon completion of the Proposed Merger.

In addition, save for the proposed directors' involvement in Axiata Group or Telenor Group (if applicable), the potential conflict of interest arising from the involvement of the proposed directors in the other businesses and corporations set out in the table above as well as in other public listed companies (held for personal investment purposes) if any, is mitigated in view of the following:

- (i) the business activities of these businesses and corporations are not similar to the MergeCo Group's business;
- (ii) in respect of businesses and corporations (other than Axiata Group or Telenor Group) which are customer and/or supplier of the MergeCo Group:
 - (a) some of these businesses and corporations are customer of the MergeCo Group as the MergeCo Group provides them with telecommunication services which are public utility services similar in nature to those provided to retail customers. In addition, the annual transaction amount for these telecommunication services are not material to the MergeCo Group;

MERGECo'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

- (b) with regards to Tan Sri Abdul Farid Alias's involvements in Malaysian Banking Berhad which is a customer of the MergeCo Group, it does not give rise to a conflict of interest as he has no relationship with the MergeCo Group during the period where he was involved with Malaysian Banking Berhad. As at the LPD, he has resigned from and does not hold any shares in Malaysian Banking Berhad;
- (c) with regard to Datuk Iain John Lo's involvements in Shell MDS (Malaysia) Sdn Bhd and Shell Malaysia Trading Sdn. Bhd., both of which are customer of the MergeCo Group, they do not give rise to conflict of interest as he has no relationship with the MergeCo Group during the period where he was involved with these corporations. As at the LPD, he has resigned from these corporations and he does not hold any shares in these corporations; and
- (d) where there are customer and/or supplier relationships with the MergeCo Group other than those as disclosed in paragraphs (a), (b) and (c) above, these businesses and corporations are managed by their respective management team and the proposed directors are not involved in the day-to-day operations of the businesses. All dealings between the MergeCo Group with these entities are on arm's length basis and normal commercial terms which are not more favourable than those generally available to third parties and are not detrimental to the MergeCo Group.

- (iii) some of the proposed directors may hold shares in public listed companies for personal investment purposes only. The proposed directors do not have any control over the management and/or operations of these public listed companies. Further, the amount held by the proposed directors if any, is negligible (less than 1% of the issued share capital of the respective listed companies).

The potential conflict of interest arising from the proposed directors' respective involvement, including as an employee/director of entities within Axiata Group or Telenor Group are mitigated as explained in Section 1.1 and 1.2 of Appendix VII of this Circular.

Although the interest that are currently held by the proposed directors of MergeCo in other businesses or companies which carry on a similar trade as the MergeCo Group or which are customers and/or suppliers of the MergeCo Group may give rise to a conflict of interest situation, the proposed directors and persons connected to them shall abstain from deliberating and voting on the resolutions relating to these matters or on transactions that require the approval of the MergeCo's shareholders in respect of their direct or indirect interests.

MERGECO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

4.2 Proposed Key Senior Management

Save as disclosed below, none of the proposed key senior management has any principal directorship or principal business activities performed outside the MergeCo Group for the past five (5) years prior to the LPD:

Name	Company	Principal activities	Designation / interest	Date of appointment / (resignation) as director	Percentage of interest as at the LPD (%)	
					Direct	Indirect
Datuk Mohamad Idham Nawawi	Axiata	Axiata is a public listed company on the Main Market of Bursa Securities. It is an investment holding company and group is involved in the provision of mobile communication services, telecommunication infrastructure and related services as well as digital services.	Shareholder	N/A	Negligible ⁽¹⁾	Nil
	Meliora Capital Sdn Bhd	Investment holding ⁽²⁾	Non-Executive Director and Shareholder	8 September 2011	60.00	Nil
	Axiata Innovation Sdn Bhd*	Venture capital management and provide venture capital funding in the digital and internet industry; and carry business as advisers and consultants particularly in the scope of IT and multimedia	Non-Executive Director	26 March 2015 (Resigned on 1 October 2018)	Nil	Nil
	Axiata eCode Sdn Bhd*	Researching and developing internet services and mobile applications to explore, initiate and develop partnership, ventures, agreements and/or collaboration to conduct user-centric research, testing and surveys as part of the product development and refinement process	Non-Executive Director	20 March 2017 (Resigned on 31 January 2019)	Nil	Nil
	Incite Consulting Sdn Bhd	Dissolved on 26 November 2019 ⁽³⁾	Non-Executive Director / Shareholder	14 February 2012	-	-

MERGECO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

Name	Company	Principal activities	Designation / interest	Date of appointment / (resignation) as director	Percentage of interest as at the LPD (%)	
					Direct	Indirect
Albern Murty	Telenor	Investment holding and providing telecommunication services with operations worldwide ⁽⁴⁾	Shareholder	N/A	Negligible ⁽⁵⁾	Nil
Praveen Rajan Nadarajan	Rapidstuff Ventures	Sole proprietorship for management of his investments in cryptocurrencies or non-fungible token assets and to track all associated costs incurred	Sole proprietor	-	-	-
Joachim Parsanth Rajaram	Saharia Vitals Sdn. Bhd.	Import and retail sale of tea, coffee, soft drinks and mineral water, provision of human health activities, production of its proprietary medical supplements	Shareholder	N/A	20.00	80.00 ⁽⁶⁾
Azmi Ujang	Ladang Seni Sdn. Bhd.	Dissolved on 8 June 2018 ⁽⁷⁾	Non-Executive Director	15 September 2006	Nil	Nil
	On Site Services Sdn. Bhd.*	Wireless telecommunications services; business of engineering and design, installation testing and commissioning, network audit and optimization for the telecommunication services, provision of telecommunication equipment and accessories	Non-Executive Director	18 December 2017 (Resigned on 28 September 2018)	Nil	Nil
Datuk Khalid	Tomypak Holdings Berhad ⁽⁸⁾	Tomypak Holdings Berhad is a public listed company on the Main Market of Bursa Securities. It is principally involved as an investment holding company for a group of companies involved in production of packaging material	Non-Executive Director	1 September 2020	Nil	Nil
	Booty Productions Sdn. Bhd.	Sound recording and music publishing activities	Non-Executive Director	20 April 2011 (Resigned on 31 March 2020)	Nil	Nil

MERGECO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

Name	Company	Principal activities	Designation / interest	Date of appointment / (resignation) as director	Percentage of interest as at the LPD (%)	
					Direct	Indirect
	Kool FM Radio Sdn. Bhd.	Commercial radio broadcasting	Non-Executive Director	21 October 2015 (Resigned on 16 November 2017)	Nil	Nil
	Sistem Televisyen Malaysia Berhad ⁽⁸⁾	Commercial television broadcasting	Non-Executive Director	5 January 2016 (Resigned in 31 March 2020)	Nil	Nil
	Media Prima Digital Sdn. Bhd.	Digital media services	Non-Executive Director	2 August 2017 (Resigned on 31 March 2020)	Nil	Nil
	The New Straits Press (Malaysia) Bhd ⁽⁸⁾	Publishing and sale of newspapers and investment holding	Non-Executive Director	2 August 2017 (Resigned on 31 March 2020)	Nil	Nil
	Wowshop Sdn. Bhd.	Home shopping network	Non-Executive Director	2 August 2017 (Resigned on 31 March 2020)	Nil	Nil
	Natseven TV Sdn. Bhd. ⁽⁸⁾	Commercial television broadcasting	Non-Executive Director	22 July 2016 (Resigned 16 November 2017)	Nil	Nil
	Merit Idea Sdn. Bhd.	Investment holding company with businesses in TV broadcasting	Non-Executive Director	22 July 2016 (Resigned 16 November 2017)	Nil	Nil
	Metropolitan Sdn. Bhd.	TV Commercial television broadcasting	Non-Executive Director	22 July 2016 (Resigned 16 November 2017)	Nil	Nil

MERGECO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

Name	Company	Principal activities	Designation / interest	Date of appointment / (resignation) as director	Percentage of interest as at the LPD (%)	
					Direct	Indirect
	Ch-9 Media Sdn. Bhd.	Commercial television broadcasting	Non-Executive Director	22 July 2016 (Resigned 16 November 2017)	Nil	Nil
	Animated Production Techniques Bhd.	& Motion picture, video and television programme production activities	Non-Executive Director	2 August 2017 (Resigned on 31 March 2020)	Nil	Nil
	Media Prima Omnia Sdn. Bhd. ⁽⁸⁾	Contracting and marketing of advertisements	Non-Executive Director	2 August 2017 (Resigned on 31 March 2020)	Nil	Nil
	Jupiter Outdoor Network Sdn. Bhd.	Dormant ⁽⁹⁾	Non-Executive Director	2 August 2017 (Resigned on 16 November 2017)	Nil	Nil
	The Talent Sdn. Bhd.	Unit Talent management of artistes	Non-Executive Director	2 August 2017 (Resigned on 16 November 2017)	Nil	Nil
	Uniteers Advertising Bhd.	Outdoor Advertising Sdn. Bhd. Advertising contracting and agents, sale of advertising space	Non-Executive Director	2 August 2017 (Resigned on 16 November 2017)	Nil	Nil
	M9 Pictures Bhd.	Sdn. Bhd. Renting and leasing of other machinery, equipment and tangible goods	Non-Executive Director	2 August 2017 (Resigned on 16 November 2017)	Nil	Nil
	Rev Media Sdn. Bhd.	Group holding company with businesses in digital media services	Non-Executive Director	1 August 2017 (Resigned on 31 March 2020)	Nil	Nil

MERGECO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

Name	Company	Principal activities	Designation / interest	Date of appointment / (resignation) as director	Percentage of interest as at the LPD (%)	
					Direct	Indirect
	Synchrosound Studio Sdn. Bhd. ⁽⁶⁾	Commercial radio broadcasting	Non-Executive Director	2 August 2017 (Resigned on 31 March 2020)	Nil	Nil
	Lazim Juta Sdn. Bhd.	Investment holding company with businesses in radio broadcasting	Non-Executive Director	2 August 2017 (Resigned on 31 March 2020)	Nil	Nil
	Primeworks Studios Sdn. Bhd.	Feature film production, acquisition, commissioning and distribution	Non-Executive Director	2 August 2017 (Resigned on 31 March 2020)	Nil	Nil
	Media Prima Berhad ⁽⁶⁾	Media Prima Berhad is a public listed company on the Main Market of Bursa Securities. It is principally involved in investment holding and the provision of management services to its subsidiaries, and its subsidiaries are involved in media related businesses in television, print, radio, out-of-home advertising, content creation and digital media.	Executive Director	2 August 2017 (Resigned on 31 March 2020)	Negligible ⁽¹⁰⁾	Nil
	Calcom Sdn. Bhd.	Dormant ⁽¹¹⁾	Non-Executive Director	2 August 2017 (Resigned on 16 November 2017)	Nil	Nil
	Tonton International Sdn. Bhd. (formerly known as Skyten Marketing Sdn Bhd)	Dormant ⁽¹²⁾	Non-Executive Director	2 August 2017 (Resigned on 16 November 2017)	Nil	Nil
	Kurnia Outdoor Productions Sdn. Bhd.	Production of advertising display	Non-Executive Director	2 August 2017 (Resigned on 16 November 2017)	Nil	Nil

MERGECO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

Name	Company	Principal activities	Designation / interest	Date of appointment / (resignation) as director	Percentage of interest as at the LPD (%)	
					Direct	Indirect
	Star Crest Media Sdn. Bhd.	Dormant ⁽¹³⁾	Non-Executive Director	2 August 2017 (Resigned on 31 March 2020)	Nil	Nil
	Big Tree Outdoor Sdn. Bhd. ⁽⁶⁾	Outdoor advertising and display production	Non-Executive Director	2 August 2017 (Resigned on 31 March 2020)	Nil	Nil
	Esprit Assets Sdn. Bhd.	Property investments and provision of property management services	Non-Executive Director	16 November 2017 (Resigned on 31 March 2020)	Nil	Nil
	STMB Properties Sdn. Bhd.	Property investment	Non-Executive Director	16 November 2017 (Resigned on 31 March 2020)	Nil	Nil
	Rev Social Malaysia Sdn. Bhd.	Digital publishing and social media content sharing platform	Non-Executive Director	1 August 2019 (Resigned on 31 March 2020)	Nil	Nil
	Rev Social International Bhd.	Digital publishing	Non-Executive Director	1 August 2019 (Resigned on 31 March 2020)	Nil	Nil
	Rev Lifestyle Sdn. Bhd.	Digital publishing	Non-Executive Director	1 August 2019 (Resigned on 31 March 2020)	Nil	Nil
	Rev Digital Sdn. Bhd.	Digital publishing	Non-Executive Director	1 August 2019 (Resigned on 31 March 2020)	Nil	Nil
	The Vocket Sdn. Bhd.	Digital publishing	Non-Executive Director	5 September 2019 (Resigned on 31 March 2020)	Nil	Nil

MERGECO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

Name	Company	Principal activities	Designation / interest	Date of appointment / (resignation) as director	Percentage of interest as at the LPD (%)	
					Direct	Indirect
	Print Towers Sdn. Bhd.	Newspaper printing and distribution	Non-Executive Director	21 November 2019 (Resigned on 31 March 2020)	Nil	Nil
	Malaysia External Trade Development Corporation (MATRADE)	Promotion of Malaysian exports	Non-Executive Director	1 February 2018 (Resigned on 31 January 2022)	Nil	Nil
Erik Axel Sigurd Marell	SEK Ventures Sdn. Bhd.	Dormant ⁽¹⁴⁾	Non-Executive Director	17 June 2010	33.33	Nil
Afizulazha Abdullah	Taraf Juara Berhad	Dissolved on 24 October 2020 ⁽¹⁵⁾	Shareholder	-	-	-
	On Site Services Sdn. Bhd.*	Provision of field line maintenance business including preventive, corrective maintenance and support services	Executive Director	18 December 2017 (Resigned on 16 October 2020)	Nil	Nil
Chee Loo Fun	Semenanjung Ventures Sdn Bhd	Dissolved on 22 July 2019 ⁽¹⁶⁾	Non-Executive Director / Shareholder	20 Feb 2009 (Resigned on 22 Jul 2019)	-	-
Tan Moi Tsu	Dialog Broadband Networks (Private) Limited*	Data and backbone, fixed wireless and transmission infrastructure	Non-Executive Chairperson	10 May 2011 (Resigned on 30 September 2019)	Nil	Nil
	Dialog Television (Private) Limited*	Television organization services and direct-to-home satellites pay television service	Non-Executive Chairperson	10 May 2011 (Resigned on 30 September 2019)	Nil	Nil
	Digital Lanka Holdings (Private) Limited*	Digital investments holding company	Non-Executive Director	21 November 2014 (Resigned on 30 September 2019)	Nil	Nil

MERGECO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

Name	Company	Principal activities	Designation / interest	Date of appointment / (resignation) as director	Percentage of interest as at the LPD (%)	
					Direct	Indirect
	Communiq Broadband Network (Private) Limited*	Information technology enabled services	Non-Executive Chairperson	10 May 2011 (Resigned on 30 September 2019)	Nil	Nil
	Telecard (Private) Limited*	Providing digital credit facilities	Non-Executive Director	11 May 2013 (Resigned on 30 September 2019)	Nil	Nil
	Digital Health (Private) Limited*	Developing and operating a state-of-the-art electronic commerce infrastructure for the healthcare sector	Non-Executive Director	24 December 2018 (Resigned on 30 September 2019)	Nil	Nil
	Dialog Digital Fund (Private) Limited*	Establishing and operating a venture capital fund for the investment in digital start-up business	Non-Executive Director	4 October 2017/ (Resigned on 30 September 2019)	Nil	Nil

Notes:

* A subsidiary or associate/affiliate company of Axiata

^ A subsidiary of Telenor

(1) As at the LPD, Datuk Mohamad Idham Nawawi holds 208,200 of Axiata Shares and 387,350 Restricted Share Plan ("RSP") Shares pursuant to Axiata Share Scheme. The number of Performance Based Long Term Incentive Plan-RSP Shares that may vest is 387,350 provided that the performance targets for vesting are met. If not met, the amount could be nil or a portion of the amount. However, if the super stretched individual performance targets and Axiata Group meeting superior company performance targets at the point of vesting are met, up to 917,600 Axiata Shares (representing less than 0.01% of the total amount of Axiata Share as at the LPD) may be vested. Upon the completion of the Proposed Merger, no new share incentive scheme is expected to be offered by Axiata to Datuk Mohamad Idham Nawawi or any other employee of the MergeCo Group. Unvested shares from active share incentive schemes will be settled prior to completion of the Proposed Merger.

(2) Meliora Capital Sdn Bhd was the investment holding company of Incite Consulting Sdn Bhd and Selera Cheechah Sdn Bhd. As at the LPD, the 2 companies have been dissolved and Meliora Capital Sdn Bhd does not hold any assets or shares in any company. Meliora Capital Sdn Bhd has ceased operations and will be struck-off.

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

- (3) *Previously involved in the business of consulting in management, telecommunication and multimedia before it became a dormant company. Datuk Mohamad Idham Nawawi had a shareholding of 90.00% in the company prior to it being struck-off on 26 November 2019.*
- (4) *Telenor is the holding company of the Telenor group companies. It is currently listed on the Oslo Stock Exchange. The Telenor group has mobile operations in the Nordics, including Norway, Sweden, Denmark and Finland and in Asia, including Pakistan, Bangladesh, Thailand and Malaysia. Telenor has a leading Nordic position in mobile, broadband and TV services, as well as substantial activities in subsidiaries and joint venture operations, including mobile financial services and online classifieds in the Asia region.*
- (5) *Albern Murty holds a total of 53,335 shares in Telenor comprising (i) Telenor's long term incentive plan where there is a back-to-back charge to Digi by Telenor for the Telenor shares that are issued, (ii) employee share option scheme and (iii) dividends and/or bonus. The shares held include both restricted and unrestricted shares awarded through Long-Term Incentive and Employee Share Plan ("ESP"). Unrestricted shares from active share incentive schemes will be settled prior to completion of the Proposed Merger.*
- (6) *Deemed interested through his spouse's direct shareholdings of 80% in Saharia Vitals Sdn Bhd pursuant to section 8 of the Act.*
- (7) *Previously engaged in the business of general trading, property investment holding and investment. The company was dissolved on 8 June 2018.*
- (8) *Companies (other than those within the Axiata Group and Telenor Group) which are customer and/or supplier of the MergeCo Group within the past five (5) years prior to the LPD.*
- (9) *Previously engaged in the business of outdoor advertising.*
- (10) *Datuk Kamal Khalid holds 80,000 shares in Media Prima Berhad (representing less than 0.01% of the total amount of Media Prima Berhad's shares as at the LPD).*
- (11) *Previously engaged in the business of rental and operational leasing of office machinery and equipment*
- (12) *Previously engaged in advertising business.*
- (13) *Previously engaged in the business of motion picture, video and television programme production activities.*
- (14) *Previously engaged in the business of telecommunication consulting services.*
- (15) *Previously engaged in the business of general trading, investment property and investment shares. Afizulazha Abdullah had a shareholding of 0.91% in the company prior to it being dissolved on 24 October 2020.*
- (16) *Previously engaged in the business of restaurants and restaurant franchisee. Chee Loo Fun had a shareholding of 25.50% in the company prior to it being dissolved on 22 July 2019.*

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT *(Cont'd)*

The involvement of the proposed key senior management of MergeCo in other businesses and corporations as highlighted above are not expected to affect their continued contribution to management and day-to-day operations of the MergeCo Group as either these businesses and corporations have their own independent management team, or if the proposed key senior management are involved in the businesses, such involvement do not require a significant amount of time/attention from them.

In addition, the potential conflict of interest arising from the involvement of the proposed key senior management's in the other businesses and corporations, if any, is/will be mitigated in view of the following:

- (i) the proposed key senior management who are also currently holding positions in other companies within the Axiata Group or Telenor Group (other than Celcom Group or Digi Group) will relinquish such roles and responsibilities upon completion of the Proposed Merger;
- (ii) as a public listed company, MergeCo is governed by the Board of MergeCo which includes independent directors;
- (iii) the business activities of these businesses and corporations are not similar to the MergeCo Group's business; and
- (iv) in respect of businesses and corporations (other than Axiata Group or Telenor Group) which are customer and/or supplier of the MergeCo Group:
 - (a) some of these businesses and corporations are customers of the MergeCo Group as the MergeCo Group provides them with telecommunication services which are public utility services similar in nature to those provided to retail customers. In addition, the annual transaction amount for these telecommunication services is not material to the MergeCo Group;
 - (b) with regards to Datuk Kamal Khalid's involvements in Sistem Televisyen Malaysia Berhad, The New Straits Times Press (Malaysia) Bhd, Natseven TV Sdn Bhd, Synchronsound Studio Sdn Bhd, Media Prima Berhad and Big Tree Outdoor Sdn Bhd, all of which are customers and/or suppliers of the MergeCo Group, they do not give rise to conflict of interest as he has no relationship with the MergeCo Group during the period where he was involved with these corporations. As at the LPD, he has resigned from these corporations and he does not hold any shares in these corporations;
 - (c) where there are customer and/or supplier relationships with the MergeCo Group other than those as disclosed in paragraphs (a) and (b) above, these businesses and corporations are managed by their respective management team and the proposed key senior management are not involved in the day-to-day operations of the businesses. All dealings between the MergeCo Group with these entities are on arm's length basis and normal commercial terms which are not more favourable than those generally available to third parties and are not detrimental to the MergeCo Group; and

the MergeCo does not contribute significantly to the revenue and purchases of these companies/businesses which are customer and/or supplier of the MergeCo Group

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)
5. BOARD PRACTICES OF MERGECO
5.1 Directorship
(i) Existing Directors of Digi

As at the LPD, the details of the date of expiry of the current term of office for each of the current directors of Digi and the period for which such directors have served in that office are as follows:

Name	Designation	Date of appointment	Date of expiry of the current term in office⁽¹⁾	No. of year(s) in office
Haakon Bruaset Kjoel	Chair, Non-Independent Non-Executive Director	11 July 2017	30 June 2025	5 years 2 months
Vimala Menon	V.R. Senior Independent Non-Executive Director	1 July 2015	30 June 2023	7 years 2 months
Yasmin Aladad Khan	Independent Non-Executive Director	23 July 2013	30 June 2024	9 years 2 months
Datuk John Lo	Iain Independent Non-Executive Director	24 May 2021	30 June 2025	1 year 4 months
Lars Tellmann	Erik Non-Independent Non-Executive Director	12 July 2019	30 June 2025	3 years 2 months
Wenche Marie Agerup	Non-Independent Non-Executive Director	15 October 2020	30 June 2023	1 year 11 months

Note:

(1) *As the dates of Digi's future annual general meetings have yet to be fixed, the date of expiry of the current term in office refers to the last day when Digi's annual general meeting must be held for the respective years pursuant to section 340(2) of the Act.*

According to our constitution, at the annual general meeting of Digi, one-third (1/3) of our Directors shall retire from office and be eligible for re-election provided always that all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.

Notwithstanding the above, Yasmin Aladad Khan, Lars Erik Tellmann and Wenche Marie Agerup will voluntarily resign from the Board of Directors of Digi upon completion of the Proposed Merger, in accordance with the terms of the SPA.

(ii) Proposed Directors

The members of the Board of MergeCo upon completion of the Proposed Merger are expected to consist of the following persons whose appointment has been approved by the Board of Digi conditional upon completion of the Proposed Merger.

Name	Age	Nationality	Proposed designation
Tan Sri Dr. Halim Shafie	73	Malaysian	Chair, Non-Independent Non-Executive Director
Jørgen Christian Arentz Rostrup	56	Norwegian	Deputy Chair, Non-Independent Non-Executive Director
Dr. Shridhir Sariputta Hansa Wijayasuriya	54	Sri Lankan / British	Non-Independent Non-Executive Director

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

<u>Name</u>	<u>Age</u>	<u>Nationality</u>	<u>Proposed designation</u>	
Haakon Bruaset Kjoel	50	Norwegian	Non-Independent Director	Non-Executive Director
Thayaparan S Sangarapillai	67	Malaysian	Non-Independent Director	Non-Executive Director
Rita Skjaervik	48	Norwegian	Non-Independent Director	Non-Executive Director
Tan Sri Abdul Farid Alias	54	Malaysian	Independent Director	Non-Executive Director
Vimala V.R. Menon	68	Malaysian	Independent Director	Non-Executive Director
Datuk Iain John Lo	60	Malaysian	Independent Director	Non-Executive Director
Khatijah Begom Shah Mohamed	67	Malaysian	Independent Director	Non-Executive Director

Save for Haakon Bruaset Kjoel, Vimala V.R. Menon and Datuk Iain John Lo who are currently on the Board of Digi:

- (a) the incoming proposed directors of MergeCo are expected to be appointed to the Board of MergeCo on the date of completion of the Proposed Merger; and
- (b) the outgoing directors of Digi will, based on the constitution of Digi, each resign from their office at the following annual general meeting of MergeCo but they shall then be eligible for re-election.

Our Board acknowledges and takes cognisance that the MCCG which came into effect on 28 April 2021, contains best practices and guidance for listed companies to improve upon or to enhance their corporate governance as it forms an integral part of their business operations and culture.

In connection to the above, the proposed Board of MergeCo have not adopted the recommendation of the MCCG to have a board with a majority of independent directors ("**Practice 5.2 of the MCCG**"). Our Board nonetheless believes that the composition of the proposed Board of MergeCo provide appropriate balance in terms of skills, knowledge and experience to promote the interest of all shareholders and to govern the Group effectively. It also represents the ownership structure of the Company fairly with appropriate representations of minority interests through the independent directors whose representation constitute 40% of the total number of directors on the Board of MergeCo and who have wide experience. Our Board also understands that Telenor and Axiata will support that the proposed Board of MergeCo considers adopting Practice 5.2 of the MCCG within 3 years after completion of the Proposed Merger, subject to the integration progress and the overall aim to secure a board composition that seeks an optimal balance of competencies, diversity and independence in the Board of MergeCo as well as the respective Board Committees of the MergeCo.

In addition, the proposed Board of MergeCo have also not adopted the following recommendations of the MCCG:

- (i) Practice 8.2 of the MCCG - To disclose on a named basis the top five senior management's remuneration component including salary, bonus, benefit in-kind and other emoluments in bands of RM50,000; and

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT *(Cont'd)*

- (ii) Practice 8.3 of the MCCG – A step up of Practice 8.2 of the MCCG where the companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Telenor, Axiata and our Board believe that the disclosure of the senior management's remuneration at the present time is not in the best business interests of the MergeCo Group given the sensitivity of such information and the intense competition for talent in the industry. However, Our Board also understands that Telenor and Axiata will endeavour to procure the proposed Board of MergeCo considers adopting the Practice 8.2 and Practice 8.3 of the MCCG within 3 years from the completion of the Proposed Merger, subject to market readiness and such disclosures not having negative implication on the interest and competitiveness of the MergeCo Group.

Our Board believes that the MergeCo Board will commit to achieving and sustaining high standards of corporate governance. The proposed Board of MergeCo is expected to provide a statement of the extent of compliance with the MCCG in its annual report and corporate governance report.

Under the proposed board charter of MergeCo, the principal roles and responsibilities of the Board of MergeCo include the following:

- (i) setting the strategic direction and vision for the MergeCo Group (including approving targets and strategy plans which support long term value creation);
- (ii) leading, governing, guiding and monitoring the entire performance of the MergeCo Group including inculcate and monitor elements of corporate and organizational culture and values of the MergeCo Group such as whistleblowing management;
- (iii) overseeing the environmental, social and governance (ESG) issues of the MergeCo Group and ensure the integration of sustainability considerations, in MergeCo Group's corporate strategy, governance and decision making processes as well as consider the integration of ESG risks and opportunities factors in MergeCo Board's investment decision-making process;
- (iv) reviewing periodically, governance policies and frameworks of the MergeCo Group including those relating to Code of Conduct, Anti-Corruption and Whistleblowing, Conflict of Interest, Related Party Transaction, Insider Trading and ESG;
- (v) overseeing the conduct of the MergeCo Group's business including supervising and assessing the conduct and performance of the senior management of the MergeCo Group ("**Senior Management**") and ensuring proper procedures are in place and the MergeCo Group's financial statement are reviewed for integrity and approved for timely submission to the authorities and the public;
- (vi) identifying principal risks and ensuring the implementation of appropriate internal controls, governance frameworks and mitigation measures including setting the tone and culture towards effective risk management and internal control in all aspects of the MergeCo Group's activities;
- (vii) ensure that the Company has in place a policy to enable communication with its shareholders and other stakeholders, including preparing issues to be dealt with at shareholders' meetings and use the shareholders' meeting to communicate with investors all material business matters affecting the MergeCo Group;
- (viii) observing all relevant applicable laws in relation to related party transactions and ensure that agreements entered into between the MergeCo Group and its major shareholders, directors or persons connected with such directors or major shareholders, are made in writing, conducted on an arm's length basis and not detrimental to the interest of minority shareholders; and

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

- (ix) ensure that the Board and the Senior Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of the Board and Senior Management.

The proposed board charter of MergeCo is expected to be adopted after the proposed board of directors of MergeCo is appointed.

The proposed board of directors of MergeCo will be responsible for the overall direction, strategy, performance and management of the MergeCo Group. The newly appointed proposed directors of MergeCo shall hold office only until the next annual general meeting of MergeCo and shall then be eligible for re-election.

In addition, the roles and responsibilities of our Non-Independent Non-Executive Chair ("**Board Chair**") are clearly segregated to further enhance and preserve a balance of authority and accountability. MergeCo's Board Chair is primarily responsible for the following:

- (i) Provide leadership for the Board of MergeCo, instilling good corporate governance practices and ensuring effectiveness on all aspects of its role, ensuring that the decisions taken are in the best interest and fairly reflect board's consensus;
- (ii) Ensure proper flow of information to the Board of MergeCo, reviewing adequacy and timing of documentation in support of Senior Management's proposals;
- (iii) Setting the board agenda in advance alongside the CEO and the company secretary;
- (iv) Lead board meetings and discussions and provide a reasonable time for deliberations at meetings;
- (v) Manage the interface and act as the main conduit between the Board of MergeCo and Senior Management and carry out other duties as requested by the board as a whole, depending on need and circumstances;
- (vi) Ensure effective communication with shareholders that enables both, the Board of MergeCo and Senior Management to communicate effectively with its shareholders, stakeholders and the public generally. The Chair acts as the spokesperson for the Board of MergeCo and as the main representative of the MergeCo Group alongside the CEO at shareholders' meetings and on other occasions where key or major actions are taken or statements are made in the name of the MergeCo Group; and
- (vii) Act on the results of board performance evaluation by recognising the strengths and addressing the weaknesses of the Board of MergeCo.

On the other hand, the CEO is responsible for the effective management of the MergeCo Group's business affairs and leads the implementation of the financial, strategic and organisational performance policies and strategies agreed upon by the Board of MergeCo to maximise shareholder's value.

5.2 Board Committees

Upon completion of the Proposed Merger, the existing Board committee of Digi shall be disbanded and be replaced with the following Proposed MergeCo Board committees and its members.

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)
5.2.1 Audit Committee

The proposed composition of MergeCo's Board audit committee ("**Audit Committee**") is set out below:

Name	Designation	Directorship
Tan Sri Abdul Farid Alias	Chair	Independent Non-Executive Director
Khatijah Begom Shah Mohamed	Member	Independent Non-Executive Director
Vimala V.R. Menon	Member	Independent Non-Executive Director

Under the proposed terms of reference of the Audit Committee, the main functions of the Audit Committee include:

- (i) to review and approve the quarterly, half-yearly and annual financial statements of the MergeCo Group with the Senior Management and external auditors for purposes of recommending to the Board of MergeCo, focusing in particular on any changes in or implementation of accounting policies and practices, significant adjustments with financial impact arising from the audit, significant and unusual events, going concern assumptions, and compliance with approved accounting standards, Bursa Securities and other regulatory requirements;
- (ii) to review with the external auditors, the audited financial statements for purposes of recommending to the Board of MergeCo for approval;
- (iii) to meet periodically and at least twice a financial year with the external auditors in the absence of Senior Management to discuss, amongst others, any issues or reservations arising from the audits;
- (iv) to provide assurance to the Board of MergeCo on the quality and reliability of the financial information used by the Board of MergeCo and of the financial information issued publicly by MergeCo and the MergeCo Group;
- (v) to propose best practices on financing reporting of the MergeCo Group and to ensure compliance with the principles set out in the MCCG and other applicable laws, rules, directives and guidelines;
- (vi) to recommend to the Board of MergeCo, the nomination and re-appointment of the external auditors, considering their independence, the adequacy of experience, audit fee and any issue regarding resignation or dismissal;
- (vii) to discuss with the external auditors on the nature and scope of the audit services or plans to be provided to the MergeCo and its Group prior to the commencement of the audit;
- (viii) to review the external auditors' audit report and report the same to the Board of MergeCo;
- (ix) to review the external auditors' management letter and management's response;
- (x) to recommend for approval by the Board of MergeCo, the extent of non-audit work to be performed by the external auditors and the appropriateness of the level of fees, to ensure that the provision of non-audit services does not impair their independence or objectivity;
- (xi) to review, in respect of internal audit functions, amongst others, the adequacy of the audit scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its functions;

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

- (xii) to review the internal audit reports including the responses by management, recommendations of actions and for continuous improvement to achieve the objectives of the MergeCo Group;
- (xiii) to conduct an assessment of the performance of the internal audit including the role and effectiveness, with the right to engage independent experts periodically, or at least once every five (5) years to facilitate an objective and candid evaluation of the internal audit function; and
- (xiv) to review and report to the Board of MergeCo, any related party transactions entered into by the MergeCo Group and situations where a conflict of interest may arise within the MergeCo Group, including any recurrent related party transactions.

The proposed terms of reference of MergeCo's Board Audit Committee is expected to be adopted after the proposed board of directors of MergeCo is appointed.

5.2.2 Governance and Risk Management Committee

The proposed composition of MergeCo's Board governance and risk management committee ("GRMC") is set out below:

Name	Designation	Directorship
Thayaparan S Sangarapillai	Chair	Non-Independent Non-Executive Director
Haakon Bruaset Kjoel	Member	Non-Independent Non-Executive Director
Khatijah Begom Shah Mohamed	Member	Independent Non-Executive Director
Datuk Iain John Lo	Member	Independent Non-Executive Director

Under the proposed terms of reference of the GRMC, the main functions of the GRMC include:

- (i) to review the principal risks of the MergeCo Group and ensure the implementation of an appropriate risk management framework for all its risk and governance functions;
- (ii) to review and assess the adequacy and effectiveness of the MergeCo Group's internal controls, risk management and governance systems;
- (iii) to review and recommend risk management and governance methodologies, policies and risk tolerance levels for the approval of the appropriate authority in accordance with the MergeCo Group's delegation of authority;
- (iv) to review the risk appetite of the Senior Management and ensure there is an appropriate risk management framework to manage and monitor significant financial and non-financial risks;
- (v) to review the Senior Management's periodic reports on risk and compliance management activities, exposure and mitigating or remedial actions;
- (vi) to oversee that all governance instruments are updated continuously;
- (vii) to oversee ongoing awareness programmes, communication, training and education on risk and governance management;
- (viii) to consider other matters as may be directed by the Board of MergeCo or GRMC from time to time;

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

- (ix) to oversee the establishment, maintenance and periodic reviews and implementation of the anti-corruption compliance programme, procedures and measures taken which includes clear policies and objectives that adequately address corruption risks; and
- (x) to support the Board of MergeCo in its responsibility for the governance of sustainability in the MergeCo Group including setting and overseeing the MergeCo Group's sustainability strategies, priorities and targets.

The proposed terms of reference of the GRMC is expected to be adopted after the proposed board of directors of MergeCo is appointed.

5.2.3 Nomination and Remuneration Committee

The proposed composition of MergeCo's Board nomination and remuneration committee ("**NRC**") is set out below:

Name	Designation	Directorship
Datuk Iain John Lo	Chair	Independent Non-Executive Director
Tan Sri Abdul Farid Alias	Member	Independent Non-Executive Director
Vimala V.R. Menon	Member	Independent Non-Executive Director

Under the proposed terms of reference of the NRC, the main functions of the NRC include:

- (i) to lead the overall succession planning and appointment of the Board member and Senior Management of the MergeCo Group;
- (ii) to recommend new candidate(s) to the Board of MergeCo for appointment or re-appointment of Directors, taking into account, amongst others, the diversity of the Board, skills, experience, expertise, professionalism and integrity of the candidates based on the Board approved fit and proper policy;
- (iii) to ensure orientation and training programmes are provided to the members of the Board of MergeCo, and to ensure a statement is made in the Integrated Annual Report by the Board of MergeCo containing a brief description of the training attended by each Director during the financial year and also a report on the NRC's application of the fit and proper policy in the appointment and re-appointment of the Directors;
- (iv) to recommend to the Board of MergeCo, candidate(s) to fill the seats on Board Committees;
- (v) to recommend candidate(s) for Senior Management positions in the MergeCo Group based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender;
- (vi) to review and assess the independence of Independent Non-Executive Directors;
- (vii) to conduct annual assessment on Board of MergeCo, Board Committees and individual Directors and to annually review, or as required, the required mix of skills, diversity, business and professional experiences that should be added to the Board of MergeCo;
- (viii) to appraise each individual Director in terms of his independency, integrity, experience, knowledge, credibility and credential, and assess their effectiveness and contribution in carrying out their obligations and duties as a Board member;

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (*Cont'd*)

- (ix) to determine and implement the process of evaluations of the effectiveness of the Board as a whole, Board Committees, and individual Directors including Independent Non-Executive Directors as well as the Senior Management and report to the Board of MergeCo its findings and recommendations;
- (x) to engage independent experts to carry out an objective Board evaluation at least every three (3) years; and
- (xi) to recommend to the Board of MergeCo for approval, the remuneration policy and structure of the Board of MergeCo and Senior Management.

The proposed terms of reference of the NRC is expected to be adopted after the proposed board of directors of MergeCo is appointed.

6. SERVICE CONTRACTS

6.1 Digi Group

As at the LPD, save as disclosed below, there are no existing or proposed service contracts between Digi Group, and our directors and key senior management which provide for benefits upon termination of employment:

Albern Murty was appointed to the post of CEO with effect from 1 April 2015 under a fixed term contract of employment that is due to expire on 30 June 2023 (subject to further extension right at the sole and absolute discretion of the Company). Albern Murty's contract provides for Digi to make severance payment in the sum total of six (6) months of Albern Murty's last drawn monthly basic salary in the event of a unilateral termination of his employment by Digi. Albern Murty or Digi may separately terminate the contract by six (6) months' written notice of termination given to the other party, or by the payment of six (6) months' salary in lieu of notice.

Praveen Rajan Nadarajan ("Praveen") was appointed to the post of Chief Marketing Officer with effect from 14 September 2020 under a fixed term contract of employment that is due to expire on 13 September 2023 (with a possible extension right by Digi for an additional 2 years). Praveen's contract provides for Digi to make severance payment in the sum total of four (4) months of Praveen's last drawn monthly basic salary in the event of a unilateral termination of his employment by Digi. Praveen or Digi may separately terminate the contract by four (4) months' written notice of termination given to the other party, or by the payment of four (4) months' salary in lieu of notice.

Kesavan Sivabalan ("Kesavan") was appointed to the post of Chief Technology Officer with effect from 1 June 2017. Kesavan is under a fixed term contract of employment that is due to expire on 30 June 2023 (subject to further extension right at the sole and absolute discretion of the CEO). Kesavan's contract provides for Digi to make severance payment in the sum total of four (4) months of Kesavan's last drawn monthly basic salary in the event of a unilateral termination of his employment by Digi. Kesavan or Digi may separately terminate the contract by four (4) months' written notice of termination given to the other party, or by the payment of four (4) months' salary in lieu of notice.

Joachim Parsanth Rajaram ("Joachim") was appointed to the post of Chief Corporate Affairs Officer with effect from 1 February 2018 under a fixed term contract of employment that is due to expire on 31 January 2023 (subject to further extension right at the sole and absolute discretion of the CEO). Joachim's contract provides for Digi to make severance payment in the sum total of four (4) months of Joachim's last drawn monthly basic salary in the event of a unilateral termination of his employment by Digi. Joachim or Digi may separately terminate the contract by four (4) months' written notice of termination given to the other party, or by the payment of four (4) months' salary in lieu of notice.

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT *(Cont'd)*

Eugene Teh Yee (“**Eugene**”) was appointed to the post of Chief Business Officer with effect from 1 January 2018 under a fixed term contract of employment that is due to expire on 30 September 2022 (subject to further extension right at the sole and absolute discretion of the CEO). Eugene’s contract provides for Digi to make severance payment in the sum total of four (4) months of Eugene’s last drawn monthly basic salary in the event of a unilateral termination of his employment by Digi. Eugene or Digi may separately terminate the contract by four (4) months’ written notice of termination given to the other party, or by the payment of four (4) months’ salary in lieu of notice. As at 1 October 2022, Eugene’s fixed term contract of employment with Digi has expired and he is no longer an employee of Digi.

Cheng Weng Hong (“**Cheng**”) was appointed to the post of Chief Sales Officer with effect from 14 September 2020 under a fixed term contract of employment that is due to expire on 13 September 2023 (with a possible extension right by Digi for an additional 2 years). Cheng’s contract provides for Digi to make severance payment in the sum total of four (4) months of Cheng’s last drawn monthly basic salary in the event of a unilateral termination of his employment by Digi. Cheng or Digi may separately terminate the contract by four (4) months’ written notice of termination given to the other party, or by the payment of four (4) months’ salary in lieu of notice.

6.2 Celcom Group

As at the LPD, there are no existing or proposed service contracts between the Celcom Group, and its directors and key senior management which provide for benefits upon termination of employment.

6.3 The MergeCo Group

As at the LPD, there are no proposed service contracts between the MergeCo Group, and its proposed directors and proposed key senior management which provide for benefits upon termination of employment.

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MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)
7. SHAREHOLDING OF PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT OF MERGECO
7.1 Shareholding of Proposed Directors in the MergeCo

The following table sets out the direct and indirect shareholdings of the proposed directors of the MergeCo before and after the Proposed Merger, illustrated based on their shareholding in Digi as at the LPD.

Name	As at the LPD				Upon completion of the Proposed Merger			
	Direct		Indirect		Direct		Indirect	
	No. of Digi Shares held	%	No. of Digi Shares held	%	No. of MergeCo Shares held	%	No. of MergeCo Shares held	%
Tan Sri Dr. Halim Shafie	-	-	5,000 ⁽¹⁾	Negligible ⁽²⁾	-	-	5,000 ⁽¹⁾	Negligible ⁽³⁾
Jørgen Christian Arentz Rostrup	-	-	-	-	-	-	-	-
Dr. Shridhir Sariputta Hansa Wijayasuriya	-	-	-	-	-	-	-	-
Haakon Bruaset Kjoel	-	-	-	-	-	-	-	-
Thayaparan S Sangarapillai	-	-	-	-	-	-	-	-
Rita Skjaervik	-	-	-	-	-	-	-	-
Tan Sri Abdul Farid Alias	-	-	-	-	-	-	-	-
Vimala V.R. Menon	-	-	-	-	-	-	-	-
Datuk Iain John Lo	-	-	-	-	-	-	-	-
Khatijah Begom Shah Mohamed	-	-	-	-	-	-	-	-

Notes:

- (1) Deemed interested by virtue of his spouse's (Puan Sri Zaleha Jamaludin) direct shareholdings in the Company.
- (2) Represents less than 0.01% of the total amount of shares in the Company.
- (3) Represents less than 0.01% of the total amount of shares in the MergeCo.

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)
7.2 Shareholding of Proposed Key Senior Management in MergeCo

The following table sets out the direct and indirect shareholdings of the proposed key senior management of MergeCo before and after the Proposed Merger, illustrated based on their shareholding in Digi as at the LPD.

Name	As at the LPD				Upon completion of the Proposed Merger			
	Direct		Indirect		Direct		Indirect	
	No. of Digi Shares held	%	No. of Digi Shares held	%	No. of MergeCo Shares held	%	No. of MergeCo Shares held	%
Datuk Mohamad Idham Nawawi	-	-	-	-	-	-	-	-
Albern Murty	4,600	Negligible ⁽¹⁾	-	-	4,600	Negligible ⁽²⁾	-	-
Praveen Rajan Nadarajan	1,500	Negligible ⁽¹⁾	-	-	1,500	Negligible ⁽²⁾	-	-
Joachim Parsanth Rajaram	-	-	-	-	-	-	-	-
Kesavan Sivabalan	-	-	-	-	-	-	-	-
Cheng Weng Hong	3,600	Negligible ⁽¹⁾	15,000 ⁽³⁾	Negligible ⁽¹⁾	3,600	Negligible ⁽²⁾	15,000 ⁽³⁾	Negligible ⁽²⁾
Azmi Ujang	-	-	-	-	-	-	-	-
Datuk Kamal Khalid	2,000	Negligible ⁽¹⁾	-	-	2,000	Negligible ⁽²⁾	-	-
Erik Axel Sigurd Marell	-	-	-	-	-	-	-	-
Afizulazha Abdullah	-	-	-	-	-	-	-	-
Chee Loo Fun	-	-	-	-	-	-	-	-
Tan Moi Tsu	-	-	-	-	-	-	-	-

Notes:

- (1) Represents less than 0.01% of the total amount of shares in the Company.
- (2) Represents less than 0.01% of the total amount of shares in MergeCo.
- (3) Deemed interested by virtue of his father's direct shareholdings in the Company.

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)
8. REMUNERATION OF PROPOSED DIRECTORS AND KEY SENIOR MANAGEMENT

The proposed directors and proposed key senior management's proposed designation in MergeCo as well as their current designation in Digi Group/Celcom Group as at the LPD are as set out below:

Name	Proposed designation in MergeCo	Current designation in Digi Group / Celcom Group
<u>Proposed Directors</u>		
Tan Sri Dr. Halim Shafie	Chair, Non-Independent Non-Executive Director	Interim Chair / Independent Non-Executive Director of Celcom
Jørgen Christian Arentz Rostrup	Deputy Chair, Non-Independent Non-Executive Director	Not applicable
Haakon Bruaset Kjoel	Non-Independent Non-Executive Director	(a) Chair and Non-Independent Non-Executive Director of Digi (b) Director of Digi Tel
Vimala V.R. Menon	Independent Non-Executive Director	(a) Senior Independent Non-Executive Director of Digi (b) Director of Digi Tel
Datuk Iain John Lo	Independent Non-Executive Director	Independent Non-Executive Director of Digi
Thayaparan S Sangarapillai	Non-Independent Non-Executive Director	Deputy Chair, Independent Non-Executive Director of Celcom
Khatijah Begom Shah Mohamed	Independent Non-Executive Director	Independent Non-Executive Director of Celcom
Dr. Shridhir Sariputta Wijayasuriya	Non-Independent Non-Executive Director	Non-Independent Non-Executive Director of Celcom
Rita Skjaervik	Non-Independent Non-Executive Director	Not applicable
Tan Sri Abdul Farid Alias	Independent Non-Executive Director	Not applicable
<u>Proposed Key Senior Management</u>		
Datuk Mohamad Idham Nawawi	CEO	(a) CEO and Executive Director of Celcom (b) Director of Celcom Mobile (c) Director of Tune Talk
Albern Murty	Deputy CEO	(a) CEO of Digi (b) Director of Digi Tel (c) Director of InfraNation Sdn Bhd
Joachim Parsanth Rajaram	Chief Corporate Affairs Officer	Chief Corporate Affairs Officer of Digi
Kesavan Sivabalan	Chief Technology Officer	Chief Technology Officer of Digi
Praveen Rajan Nadarajan	Chief Consumer Business Officer	(a) Chief Marketing Officer of Digi (b) Director of Digi Tel (c) Director of Y3llowlabs Sdn. Bhd.

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

Name	Proposed designation in MergeCo	Current designation in Digi Group / Celcom Group
Cheng Weng Hong	Chief Sales & Retail Officer	Chief Sales Officer of Digi
Azmi Ujang	Chief Human Resources Officer	(a) Chief Human Capital and Organisation Development Officer of Celcom (b) Director of Celcom Properties Sdn. Bhd.
Datuk Kamal Khalid	Chief Transformation Officer	(a) Chief Corporate and Transformation Officer of Celcom (b) Director of Sacofa Sdn. Bhd. (c) Director of Tune Talk Sdn. Bhd. (d) Director of Celcom eCommerce Sdn. Bhd. (e) Director of Celcom Intelligence Sdn. Bhd.
Erik Axel Sigurd Marell	Chief Strategy Officer	(a) Chief Strategy Officer of Celcom (b) Head of CEO Office of Celcom (c) Director of Sacofa Sdn. Bhd. (d) Director of Tune Talk.
Afizulazha Abdullah	Chief Enterprise Business Officer	(a) Chief Operations Officer (Technology) of Celcom (b) Acting Chief Enterprise Business Officer of Celcom (c) Director of Celcom Resources Berhad (d) Director of Escape Axiata Sdn. Bhd. (e) Director of Celcom Timur (Sabah) Sdn. Bhd. (f) Director of Infront Consulting Group (M) Sdn. Bhd. (g) Director of Infront Consulting Group (S) Pte Ltd (h) Director of Bridgenet Solutions Sdn Bhd
Chee Loo Fun	Chief Home & Fibre Officer	(a) Chief Consumer Business Officer of Celcom (b) Director of Celcom Mobile
Tan Moi Tsu	Chief Financial Officer	-(1)

Note:

(1) *Tan Moi Tsu is currently a Senior Adviser – Merger Integration of Axiata.*

MERGECO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

8.1 Proposed Directors' remuneration and material benefit-in-kind

The aggregate remuneration and material benefits in-kind (including any contingent or deferred remuneration) paid or estimated to be paid to the proposed directors of MergeCo for services rendered to all capacities in Digi Group or Celcom Group / to be rendered to the MergeCo Group for the FYE 31 December 2021 and FYE 31 December 2022 are as follows:

	FYE 31 December 2021 (Actual)		FYE 31 December 2022 (Estimate)		Total RM'000
	Fees RM'000	Meeting Allowances RM'000	Benefits- in-kind RM'000	Benefits- in-kind RM'000	
Aggregated amounts paid to proposed directors of MergeCo (who hold existing positions in Digi Group) for services rendered to Digi Group	458	-	10	10	468
Aggregated amounts paid to proposed directors of MergeCo (who hold existing positions in Celcom Group) for services rendered to Celcom Group	288	104	15	15	413 ⁽¹⁾
FYE 31 December 2022 (Estimate)	577	-	0*	0*	578
Aggregated amounts paid/ to be paid to proposed directors of MergeCo (who hold existing positions in Digi Group) for services rendered to Digi Group / to be rendered to the MergeCo Group ⁽²⁾	585	179	76	76	852 ⁽³⁾
Aggregated amounts paid/ to be paid to proposed directors of MergeCo (who hold existing positions in Celcom Group) for services rendered to Celcom Group / to be rendered to the MergeCo Group ⁽²⁾	-(4)	-(4)	-(4)	-(4)	-(4)

Notes:

- * Less than RM1,000.
- (1) Includes RM6,150 of Sales and Services Tax.
- (2) The estimated remuneration for the FYE 2022 is computed based on the estimated remuneration to be received by the proposed directors from Digi Group or Celcom Group respectively for the full FYE 2022 based on their current position. The proposed directors will only be appointed to the Board of MergeCo after completion of the Proposed Merger which is expected to occur at the end of FYE 2022. Revision to their remuneration, if any, will only be determined after completion of the Proposed Merger.
- (3) Includes RM12,415 of Sales and Services Tax
- (4) The estimated remuneration for the FYE 2022 for the proposed directors of MergeCo (who do not hold any existing positions in Digi or Celcom) can only be determined upon their appointment to the Board of MergeCo after completion of the Proposed Merger which is expected to occur in the fourth quarter of 2022.

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)
8.2 Proposed Key Senior Management's remuneration and material benefit-in-kind

The aggregate remuneration and material benefits in-kind (including any contingent or deferred remuneration) paid or estimated to be paid to the proposed key senior management of MergeCo for services rendered to all capacities in Digi Group or Celcom Group / to be rendered to the MergeCo Group for the FYE 2021 and FYE 2022 are as follows:

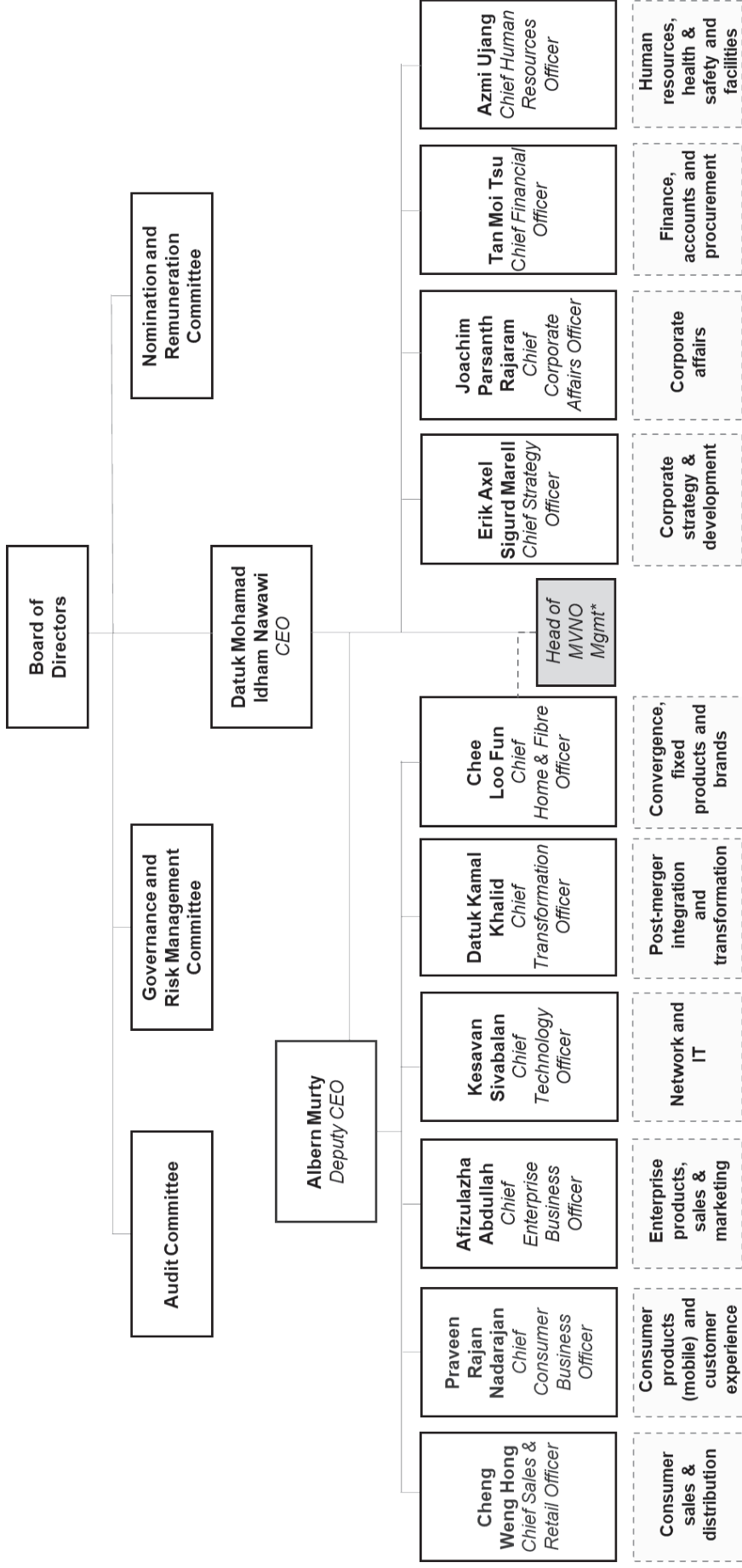
	FYE 2021 (Actual)	FYE 2022 (⁽¹⁾Estimate)
	RM'000	RM'000
Aggregated amounts paid/ to be paid to proposed key senior management of MergeCo (who hold existing positions in Digi Group) for services rendered to Digi Group / to be rendered to the MergeCo Group ⁽¹⁾⁽²⁾	9,542	11,038
Aggregated amounts paid/ to be paid to proposed key senior management of MergeCo (who hold existing positions in Celcom Group) for services rendered to Celcom Group / to be rendered to the MergeCo Group ⁽¹⁾⁽³⁾	12,944	16,411
Aggregated amounts paid/ to be paid to proposed key senior management of MergeCo (who do not hold any existing positions in Digi Group/Celcom Group) for services rendered/ to be rendered to the MergeCo Group	Nil	_(4)

Notes:

- * *The remuneration above includes salary, bonus, allowances and contributions to the EPF and Social Security Organization (SOCSSO).*
- (1) *The estimated remuneration for the FYE 2022 is computed based on the remuneration received and the estimated remuneration to be received by the proposed key senior management from Digi Group or Celcom Group respectively for the full FYE 2022 based on their current position. The proposed key senior management's appointment and revision to their remuneration, if any, will only be determined after completion of the Proposed Merger.*
- (2) *Pursuant to the Telenor's long term incentive plan where there is a back-to-back charge to Digi Group by Telenor (in respect of share grant to Digi Group's employees), a total of 6,249 Telenor shares in FYE 2021 and 5,935 Telenor shares in FYE 2022 (as at the LPD), became unrestricted i.e. released to the proposed key senior management at no cost. As at the LPD, there are 53,116 accumulated Telenor shares which are restricted. In addition, Digi provides an annual ESP through Telenor to all staff, whereby employees can opt-in to purchase Telenor shares based on market price. The total shares purchased by the proposed key senior management through ESP add up to 485 shares in FYE 2021 and 403 shares in FYE 2022, excluding dividends. Upon the completion of the Proposed Merger, no new share incentive scheme is expected to be offered by Telenor to the proposed key senior management and the outstanding restricted shares will be settled. The total amount of Telenor shares held by proposed key senior management represents less than 0.01% of the total amount of Telenor share as at the LPD.*
- (3) *Pursuant to the Axiata Share Scheme where there is a back-to-back charge to Celcom by Axiata (in respect of share grant to Celcom Group's employees), no Axiata Shares were vested in FYE 2021 while a total of 131,900 Axiata Shares were vested in FYE 2022 (as at the LPD) to the proposed key senior management at no cost. As at the LPD, there are 475,350 Axiata Shares which are unvested (excluding shares pursuant to super stretched performance targets which have not been granted). Upon the completion of the Proposed Merger, no new share incentive scheme is expected to be offered by Axiata to the proposed key senior management and the outstanding unvested shares will be settled. The total amount of Axiata Shares held by the proposed key senior management represents less than 0.01% of the total amount of Axiata share as at the LPD.*
- (4) *The estimated remuneration for the FYE 2022 for the proposed key senior management (who do not hold any existing positions in Digi or Celcom) can only be determined upon their appointment to the MergeCo upon completion of the Proposed Merger which is expected to occur in the fourth quarter of 2022.*

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

9. MANAGEMENT REPORTING STRUCTURE OF MERGECO



* The Head of MVNO Management is not a Key Senior Management role. It reports directly to the CEO and administratively to the Chief Home & Fibre Officer. It is empowered and responsible for independently maintaining a RAO and making services available to all new and existing customers through commercially negotiated access agreements.

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

10. RELATIONSHIPS OR ASSOCIATIONS BETWEEN THE PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT

Save as disclosed below and in Section 8, Appendix VI of this Circular, as at the LPD, there are no other associations or family relationships between:

- (i) the proposed directors of MergeCo and the substantial shareholder, director, key senior management or key technical personnel of Digi;
- (ii) the proposed key senior management of MergeCo and the substantial shareholder, director, key senior management or key technical personnel of Digi;
- (iii) the proposed directors of MergeCo and substantial shareholder, director, key senior management or key technical personnel of Celcom;
- (iv) the proposed key senior management of MergeCo and substantial shareholder, director, key senior management or key technical personnel of Celcom;
- (v) the proposed directors of MergeCo and the substantial shareholder, director and key senior management or key technical personnel of MergeCo; and
- (vi) the proposed key senior management of MergeCo and the substantial shareholder, director and key senior management or key technical personnel of MergeCo.

Axiata

Axiata, the substantial shareholder of MergeCo, will be deemed PAC to Telenor Asia and its holding companies, pursuant to the SHA to be entered into between the SHA Parties.

Telenor Asia

Telenor Asia, the substantial shareholder of MergeCo, together with its holding companies, will be deemed PAC to Axiata, pursuant to the SHA to be entered into between the SHA Parties.

Tan Sri Dr. Halim Shafie

Tan Sri Dr. Halim Shafie, the proposed Chair, Non-Independent Non-Executive Director of MergeCo, who is a representative of Axiata on the Board of MergeCo, is holding positions in several entities within Axiata Group as follows:

- (i) an Independent Non-Executive Director of Axiata; and
- (ii) a Non-Executive Director and Chair of Smart Axiata Co., Ltd

Jørgen Christian Arentz Rostrup

Jørgen Christian Arentz Rostrup, the proposed Deputy Chair, Non-Independent Non-Executive Director of MergeCo, who is a representative of Telenor Asia on the Board of MergeCo, is holding positions in several entities within the Telenor Group as follows:

- (i) the Executive Vice President and Head of Telenor Asia at Telenor; and
- (ii) a board member of two (2) of Telenor's subsidiary companies;

MERGECo'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

Dr. Shridhir Sariputta Hansa Wijayasuriya

Dr. Shridhir Sariputta Hansa Wijayasuriya, the proposed Non-Independent Non-Executive Director of MergeCo, who is a representative of Axiata on the Board of MergeCo, is holding positions in several entities within the Axiata Group as follows:

- (i) the CEO of Telecommunications Business & Group Executive Vice President of Axiata;
- (ii) the interim Joint Acting Group CEO of Axiata; and
- (iii) a board member in various subsidiaries of Axiata which include among others, Dialog, Axiata Digital & Analytics Sdn Bhd, Ncell Axiata Limited, Robi Axiata Limited, Smart Axiata Co., Ltd and PT XL Axiata Tbk.

Haakon Bruaset Kjoel

Haakon Bruaset Kjoel, the proposed Non-Independent Non-Executive Director of MergeCo, who is a representative of Telenor Asia on the Board of MergeCo, is holding positions in several entities within Telenor Group as follows:

- (i) the Senior Vice President and Head Investment Management for Malaysia at Telenor Asia; and
- (ii) a board member of several Telenor Group companies in Singapore, Grameenphone Limited and Total Access Communication PCL.

Thayaparan S Sangarapillai

Thayaparan S Sangarapillai, the proposed Non-Independent Non-Executive Director of MergeCo, who is a representative of Axiata on the Board of MergeCo, is holding positions in several entities within Axiata Group as follows:

- (i) Independent Non-Executive Director of Axiata; and
- (ii) Non-Executive Director and Chair of Robi Axiata Limited.

Rita Skjaervik

Rita Skjaervik, the proposed Non-Independent Non-Executive Director of MergeCo, who is a representative of Telenor Asia on the Board of MergeCo, is holding positions in several entities within the Telenor Group as follows:

- (i) the Executive Vice President and Head of Group People, Sustainability and External Relations of Telenor; and
- (ii) a board member of several Telenor's subsidiary companies.

Kesavan Sivabalan

Kesavan Sivabalan, the proposed Chief Technology Officer of MergeCo, is the Chief Technology Officer of Developed Asia Cluster in the Telenor Group.

Azmi Ujang

Azmi Ujang, the proposed Chief Human Resources Officer of MergeCo, is employed by Axiata on a contract that will expire on 31 August 2023 where he was seconded to Celcom as the Chief Human Capital and Organisation Development Officer of Celcom since 2016.

MERGEKO'S CONTROLLING SHAREHOLDERS, PROPOSED DIRECTORS AND PROPOSED KEY SENIOR MANAGEMENT (Cont'd)

Tan Moi Tsu

Tan Moi Tsu, the proposed Chief Financial Officer of Merge Co, is holding a position as Senior Adviser – Merger Integration in Axiata since 20 June 2022.

The proposed key senior management who are also currently holding positions in other companies within the Axiata Group or Telenor Group (other than Celcom Group or Digi Group) will relinquish such roles and responsibilities upon completion of the Proposed Merger.

11. DECLARATION BY DIRECTORS AND MEMBERS OF KEY SENIOR MANAGEMENT

As at the LPD, no proposed director or proposed key senior management of MergeCo has been involved in the following events, whether in or outside Malaysia:

- (i) in the last 10 years, a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or member of key senior management;
- (ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) in the last 10 years, charged or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding. If convicted, the date must be calculated from the date of conviction or if sentenced to imprisonment, from the date of release from prison;
- (iv) in the last 10 years, judgment was entered against such person, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his part, involving a breach of any law or regulatory requirement that relates to the capital market;
- (v) in the last 10 years, subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his part that relates to the capital market;
- (vi) is the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity;
- (vii) in the last 10 years, reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; and
- (viii) has any unsatisfied judgment against him/her.

CONFLICT OF INTEREST

1. INTEREST IN ENTITIES WHICH CARRY ON A SIMILAR TRADE AS THAT OF MERGECO GROUP OR WHICH ARE CUSTOMERS AND/OR SUPPLIERS OF MERGECO GROUP

As at the LPD, save as disclosed in Section 4.1 of Appendix VI of this Circular as well as in the table below, none of the existing Directors of Digi, proposed directors and proposed substantial shareholders of MergeCo has any direct or indirect interest in other businesses or companies which carry on a similar trade as the MergeCo Group or which are customers and/or suppliers of the MergeCo Group:

No.	Company	Interested substantial shareholders / directors ⁽¹⁾	Nature	Principal activity	Nature of interest
1.	Axiata Group	<ul style="list-style-type: none"> Proposed substantial shareholder of MergeCo • Khazanah • Axiata <p><u>Proposed director of MergeCo</u></p> <ul style="list-style-type: none"> • Tan Sri Dr. Halim Shafie • Dr. Shridhir Sariputta • Hansa Wijayasuriya • Thayaparan S Sangarapillai 	<ul style="list-style-type: none"> • Similar trade as that of the MergeCo Group • Customer and/or supplier of the MergeCo Group 	Investment holding and the provision of technical services on an international scale	<ul style="list-style-type: none"> • Axiata will be a substantial shareholder of MergeCo pursuant to the Proposed Merger. • Khazanah will be an indirect substantial shareholder of MergeCo pursuant to the Proposed Merger by virtue of its 36.74% shareholdings in Axiata as at the LPD. • Tan Sri Dr. Halim Shafie, the proposed Chair, Non-Independent Non-Executive Director of MergeCo, is a representative of Axiata in MergeCo. Tan Sri Dr. Halim Shafie is currently an Independent Non-Executive Director of Axiata and member of the Board Risk and Compliance Committee of Axiata. He also holds directorships in Celcom and several Axiata's subsidiaries. • Dr. Shridhir Sariputta Hansa Wijayasuriya, the proposed Non-Independent Non-Executive Director of MergeCo, is also a representative of Axiata in MergeCo. Dr. Shridhir Sariputta Hansa Wijayasuriya is currently the CEO of Telecommunications Business & Group Executive Vice President of Axiata and he holds directorships in several Axiata's subsidiaries and associate companies. • Thayaparan S Sangarapillai, the proposed Non-Independent Non-Executive Director of MergeCo is also a representative of Axiata in MergeCo. Thayaparan S Sangarapillai is currently the Independent Non-Executive Director of Axiata and he holds directorships in Celcom and Robi Axiata Limited.

CONFLICT OF INTEREST (Cont'd)

No.	Company	Interested substantial shareholders / directors ⁽¹⁾	Nature	Principal activity	Nature of interest
2.	Telenor Group	<p data-bbox="316 1525 336 1868"><u>Existing substantial shareholder of Digi</u></p> <ul data-bbox="368 1525 539 1868" style="list-style-type: none"> <li data-bbox="368 1733 389 1868">• Telenor <li data-bbox="395 1525 443 1868">• Telenor Mobile Holding AS⁽²⁾ <li data-bbox="450 1525 497 1868">• Telenor Communication AS⁽³⁾ <li data-bbox="504 1525 539 1868">• Telenor Asia⁽⁴⁾ <p data-bbox="568 1525 588 1868"><u>Existing Director of Digi</u></p> <ul data-bbox="595 1525 683 1868" style="list-style-type: none"> <li data-bbox="595 1585 616 1868">• Haakon Bruaset Kjoel <li data-bbox="622 1621 643 1868">• Lars Erik Tellmann <li data-bbox="649 1576 683 1868">• Wenche Marie Agerup <p data-bbox="711 1525 732 1868"><u>Proposed director of MergeCo</u></p> <ul data-bbox="738 1525 858 1868" style="list-style-type: none"> <li data-bbox="738 1525 786 1868">• Jørgen Christian Arentz Rostrup <li data-bbox="793 1585 813 1868">• Haakon Bruaset Kjoel <li data-bbox="820 1666 858 1868">• Rita Skjaervik 	<ul data-bbox="316 1218 507 1491" style="list-style-type: none"> <li data-bbox="316 1218 395 1491">• Similar trade as that of the MergeCo Group <li data-bbox="424 1218 507 1491">• Customer and/or supplier of the MergeCo Group 	<p data-bbox="316 920 336 1189">Mobile communication and fixed line communication business</p>	<ul data-bbox="316 147 539 880" style="list-style-type: none"> <li data-bbox="316 147 395 880">• Telenor is our substantial shareholder and will continue to be a substantial shareholder of MergeCo after the completion of the Proposed Merger. <li data-bbox="424 147 539 880">• Lars Erik Tellmann and Wenche Marie Agerup are Digi's existing Non-Independent Non-Executive Directors and are also representatives of Telenor Asia in Digi. They also hold directorships in several subsidiaries of Telenor. <li data-bbox="568 147 732 880">• Jørgen Christian Arentz Rostrup, the proposed Non-Independent Non-Executive Deputy Chair of MergeCo, is also a representative of Telenor Asia in MergeCo. Jørgen Christian Arentz Rostrup is currently the Executive Vice President and Head of Telenor Asia at Telenor. He also holds directorships in several of Telenor's subsidiary companies. <li data-bbox="761 147 956 880">• Haakon Bruaset Kjoel, the proposed Non-Independent Non-Executive Director of MergeCo, is also the Chair and Non-Independent Non-Executive Director of Digi and a representative of Telenor Asia in MergeCo. Haakon Bruaset Kjoel is currently the Senior Vice President and Head Investment Management for Malaysia at Telenor Asia. He also holds directorships in several Telenor's subsidiary companies. <li data-bbox="984 147 1150 880">• Rita Skjaervik, the proposed Non-Independent Non-Executive Director of MergeCo, is also a representative of Telenor Asia in MergeCo. Rita Skjaervik is currently the Executive Vice President at Telenor. She is the Head of Group People, Sustainability & External Relations. She also holds directorships in several Telenor's subsidiary companies.
3.	TIME dotCom Berhad ("TIME")	<p data-bbox="1182 1525 1230 1868"><u>Proposed substantial shareholder of MergeCo</u></p> <ul data-bbox="1236 1525 1262 1868" style="list-style-type: none"> <li data-bbox="1236 1733 1262 1868">• Khazanah 	<ul data-bbox="1182 1218 1262 1491" style="list-style-type: none"> <li data-bbox="1182 1218 1262 1491">• Similar trade as that of the MergeCo Group 	<p data-bbox="1182 920 1289 1189">Investment holding, provision of management and marketing / promotional services</p>	<ul data-bbox="1182 147 1347 880" style="list-style-type: none"> <li data-bbox="1182 147 1230 880">• Khazanah is a 10.67% substantial shareholder of TIME as at the LPD. <li data-bbox="1265 147 1347 880">• Khazanah will be an indirect substantial shareholder of MergeCo pursuant to the Proposed Merger by virtue of its 36.74% shareholdings in Axiata.

CONFLICT OF INTEREST (Cont'd)

No.	Company	Interested substantial shareholders / directors ⁽¹⁾	Nature	Principal activity	Nature of interest
4.	TM ⁽⁵⁾	Proposed substantial shareholder of MergeCo <ul style="list-style-type: none"> • Khazanah 	<ul style="list-style-type: none"> • Similar trade as that of the MergeCo Group • Customer and/or supplier of the MergeCo Group 	The establishment, maintenance and provision of telecommunication services and telecommunications related services	<ul style="list-style-type: none"> • Khazanah is a 20.03% substantial shareholder of TM as at the LPD. • Khazanah will be an indirect substantial shareholder of MergeCo pursuant to the Proposed Merger by virtue of its 36.74% shareholdings in Axiata as at the LPD.
5.	edotco Group Sdn Bhd	Proposed substantial shareholder of MergeCo <ul style="list-style-type: none"> • Khazanah • Axiata Proposed director of MergeCo <ul style="list-style-type: none"> • Tan Sri Dr. Halim Shafie • Dr. Shridhir Sariputta Hansa Wijayasuriya • Thayaparan S Sangarapillai 	<ul style="list-style-type: none"> • Customer and/or supplier of the MergeCo Group 	Investment holding company; Provision of technical and operation support services in the telecommunications and related industries in local and international markets	<ul style="list-style-type: none"> • Axiata is a 63.00% substantial shareholder of edotco Group Sdn Bhd as at the LPD. • Axiata will also be a substantial shareholder of MergeCo pursuant to the Proposed Merger. • Khazanah is a substantial shareholder of edotco Group Sdn Bhd as at the LPD via its interest held through Axiata and its wholly-owned subsidiary, Mount Bintang Ventures Sdn Bhd. • Khazanah will also be an indirect substantial shareholder of MergeCo pursuant to the Proposed Merger by virtue of its 36.74% shareholdings in Axiata as at the LPD. • Tan Sri Dr. Halim Shafie has an interest in edotco by virtue of his interest in Axiata as stated above. • Dr. Shridhir Sariputta Hansa Wijayasuriya has an interest in edotco by virtue of his interest in Axiata as stated above. • Thayaparan S Sangarapillai has an interest in edotco by virtue of his interest in Axiata as stated above.
6.	Tenaga Nasional Berhad ("TNB") ⁽⁶⁾	Proposed substantial shareholder of MergeCo <ul style="list-style-type: none"> • Khazanah 	<ul style="list-style-type: none"> • Customer and the MergeCo Group 	Generation, transmission, distribution and sales of electricity	<ul style="list-style-type: none"> • Khazanah is a 25.47% substantial shareholder of TNB as at the LPD. • Khazanah will also be an indirect substantial shareholder of MergeCo pursuant to the Proposed Merger by virtue of its 36.74% shareholdings in Axiata as at the LPD.

CONFLICT OF INTEREST (Cont'd)

Notes:

- (1) A relief has been granted by the SC from having to disclose the information on interest of EPF and ASB in businesses or companies which carry on a similar trade as the MergeCo Group or which are customers and/or suppliers of the MergeCo Group. EPF and ASB are currently our substantial shareholders and are expected to continue to be the substantial shareholders of MergeCo upon completion of the Proposed Merger.
- (2) Telenor Mobile Holding AS is a wholly-owned subsidiary of Telenor.
- (3) Telenor Mobile Communications AS is a wholly-owned subsidiary of Telenor Mobile Holding AS.
- (4) Telenor Asia is a wholly-owned subsidiary of Telenor Mobile Communications AS. As at the LPD, Telenor Asia has 49.00% direct interest in Digi.
- (5) Based on a press release dated 29 September 2021, TM and Astro Malaysia Holdings Berhad's ("Astro") wholly-owned subsidiary, MEASAT Broadcast Network Systems Sdn Bhd intends to collaborate in delivering a high quality digital experience to all Malaysians. The collaboration also signifies both companies' commitment to support the JENDELA initiative in providing wider broadband coverage and a better experience nationwide. As at the LPD, Khazanah has a 20.67% indirect interest in Astro and 1 representative serving as a non-executive non-independent director on the board of directors of Astro.
- (6) TNB's wholly-owned subsidiary, Allo Technology Sdn Bhd, holds NFP, NSP, and Application Services Provider (ASP) licences and provides broadband internet access services. As at the LPD, Khazanah has a 25.47% interest in TNB and 1 representative serving as a non-executive non-independent director on the board of directors of TNB.

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CONFLICT OF INTEREST (Cont'd)

Our Board is of the view that any potential conflict of interest arising from the interest of the existing Directors of Digi, proposed directors and proposed substantial shareholders of MergeCo in other businesses or companies which carry on similar trade as that of the MergeCo Group or who are suppliers/customers of the MergeCo Group as set out in the table above is mitigated in view of the following:

1.1 Axiata Group**(a) Axiata has interests in other entities which carry on the business as the mobile telecommunication service providers**

Axiata Group is a multinational telecommunications player with presence across 10 countries in ASEAN and South Asia. Axiata's mobile subsidiaries and associates operate under the brand name Celcom (Malaysia), XL (Indonesia), Dialog (Sri Lanka), Ncell (Nepal), Robi (Bangladesh) and Smart (Cambodia). Axiata's businesses in foreign jurisdictions are collectively referred as the "**Axiata Foreign Operations**".

The MergeCo Group's business is primarily focused in Malaysia. The geographical markets of Axiata Foreign Operations do not overlap with that of the MergeCo Group and as such do not compete directly with the business of the MergeCo Group. In addition, Axiata does not have any interest in other telecommunications player in Malaysia other than via MergeCo.

(b) edotco Group's business may be perceived to be competing with the MergeCo Group and/or the MergeCo Group may be perceived to be overly dependent on edotco Group pursuant to the telecommunications towers lease arrangement between the Celcom Group and the edotco Group

edotco Group Sdn Bhd, a 63.00% subsidiary of Axiata, which Khazanah also has a 10.57% indirect interest in, through its wholly-owned subsidiary, Mount Bintang Ventures Sdn Bhd, is principally involved in the provision of telecommunication infrastructure and services, a business in which Digi Group and the Celcom Group are also involved in as the Digi Group and the Celcom Group also lease telecommunication towers to third parties.

edotco Group's business does not compete with the Digi Group or the Celcom Group as the leasing of telecommunication towers is not a core business of the Digi Group and the Celcom Group. The revenue derived from the leasing of telecommunication towers contributes less than 5.0% of the Digi Group and the Celcom Group's total revenue for FYE 31 December 2021 respectively.

In addition, edotco Group is also a key supplier of the Celcom Group. The Celcom Group is dependent on edotco Group from whom it leases telecommunication towers to support its network infrastructure. As at 30 June 2022, approximately 34.9% of the sites are leased from edotco Group. edotco Group has been a supplier to Celcom Group for the past 8 years, and accounted for approximately 12.7%, 12.7% and 13.8% of the Celcom Group's total purchases for the FYE 31 December 2019, 2020 and 2021 respectively. These lease arrangements with edotco Group are governed by tower leasing contracts, further details of which are set out in Section 15 of Appendix II of this Circular.

Nonetheless, Celcom's lease agreements with edotco benefits both parties. Celcom is materially dependent on edotco with regards to the supply of telecommunication towers while edotco is dependent on Celcom as its anchor tenant for the leasing of such telecommunication towers, allowing it to showcase its stable working relationship with Celcom to potential infrastructure customers. Further, in the event of any dispute in relation to such lease agreements, either party may submit a request to the MCMC for regulatory intervention on matters relating to the terms and conditions of such agreements, including on pricing or rates, to ensure access to bottleneck network facilities and facilitate the network transmission to subscribers.

CONFLICT OF INTEREST (Cont'd)

Although Celcom Group is dependent on edotco Group for the supply of telecommunications tower, any issue arising from potential conflict of interest situation is mitigated as the supply agreements are on arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to third parties. Please refer to Section 1.1 of Appendix IV of this Circular for more details.

In addition, there is no exclusivity arrangement with edotco Group and the Celcom Group is able to find alternative telecommunication tower suppliers should the need arise in the future. The transaction with edotco Group has been subject to annual RRPT mandate obtained from non-interested shareholders of Axiata and may continue to be subject to MergeCo shareholders' approval after the completion of the Proposed Merger, for which the interested parties are required to abstain from deliberating and voting.

(c) **Merchantrade business may be perceived to be in competition with the MergeCo Group**

Pursuant to Celcom Group Reorganisation (as defined under Appendix XI of this Circular), Celcom's 20.00% equity interest in Merchantrade has been transferred to Axiata SPV4 Sdn Bhd, a wholly-owned subsidiary of Axiata. The Merchantrade Group are principally involved in the remittance business and is also a MVNO providing telecommunication services to customers. For information, Celcom Group has an existing MVNO arrangement with Merchantrade Group and the annual related party transactions between Celcom Group and Merchantrade Group are not material to the MergeCo Group as it amounted to less than RM5.0 million in each of the FYE 31 December 2019, FYE 31 December 2020 and FYE 31 December 2021. In addition, the size of Merchantrade Group's MVNO business is also less than 0.5% of the MergeCo Group's revenue (being the combined revenue of the Digi Group and the Celcom Group) for FYE 31 December 2019, FYE 31 December 2020 and FYE 31 December 2021.

While Merchantrade Group may be in competition with the MergeCo Group, the conflict of interest arising from such situation is mitigated due to the following:

- (i) The related party transactions between Celcom Group and Merchantrade Group were carried out on arm's length basis as the rates for the MVNO arrangement with Merchantrade Group are comparable with the rates charged by Celcom to other MVNOs. The transactions are based on normal commercial terms that are generally available to third-party; and
- (ii) Celcom Group is the sole network provider for Merchantrade Group. While Merchantrade Group may be perceived to be in competition with the MergeCo Group, Merchantrade Group is also customers of the MergeCo Group and it contributes to the MergeCo Group's revenue, and such arrangement is not detrimental to the interest of the other shareholders of MergeCo. Post completion of the Proposed Merger, pursuant to the terms of the existing wholesale service arrangement between Merchantrade Group and Celcom, Celcom (being a proposed subsidiary of MergeCo) will continue to provide network capacity and associated services to Merchantrade Group for its MVNO operations for the duration of the arrangement.

Additionally, the nominated directors of Axiata in Merchantrade Group are/will only hold non-executive roles and are not involved in the day-to-day operations of the companies. Any decision making will be made in consultation with the other shareholders and the management team of Merchantrade Group.

CONFLICT OF INTEREST (Cont'd)

After the completion of the Proposed Merger, MergeCo will seek its shareholders' approval to enter into such recurrent transactions with Merchantrade Group, where required, for which the interested parties are required to abstain from deliberating and voting. The Audit Committee and the Board of MergeCo will supervise and monitor any recurrent transactions between the MergeCo Group with Merchantrade Group to ensure all dealings are on arm's length basis and normal commercial terms which are not more favourable than those generally available to third parties and are not detrimental to the MergeCo Group. Please refer to Section 1.4 of Appendix IV of this Circular for details relating to monitoring and oversight of related party transactions and conflict of interest situation.

(d) **Material outstanding loans and/or financial assistance to or from the Celcom Group**(i) **Advances extended by Celcom Group to Axiata**

<u>Related party</u>	<u>Nature of transaction</u>	<u>FYE 31 December 2019</u>	<u>FYE 31 December 2020</u>	<u>FYE 31 December 2021</u>	<u>As at the LPD</u>
Axiata	The amount was extended by Celcom Group to Axiata as short term advances for working capital and investment purposes.	<u>Outstanding amount as at 31 December 2019</u>	<u>Outstanding amount as at 31 December 2020</u>	<u>Outstanding amount as at 31 December 2021</u>	<u>Outstanding amount as at the LPD</u>
		RM786.3 million	RM497.2 million	RM188.3 million	Nil
		<u>Interest income for FYE 31 December 2019</u>	<u>Interest income for FYE 31 December 2020</u>	<u>Interest income for FYE 31 December 2021</u>	<u>Interest income for 1 January 2022 to the LPD</u>
	The advances are unsecured, bearing interest rates of 3.05%.	RM24.6 million	RM21.8 million	RM14.6 million	RM4.3 million

The above advances were extended by Celcom Group to Axiata as short term advances for working capital and investment purposes has been fully settled as at the LPD. These advances were transacted on arm's length basis and on normal commercial terms that are generally available to third-party as the interest rate charged by Celcom was determined after taking into consideration the overnight policy rate set by BNM at that point of time.

(ii) **CNSB Shareholder Loan extended by Axiata to Celcom Group**

Pursuant to the CNSB Shareholder Loan Agreement dated 21 April 2021, Axiata has extended a Mudharabah facility of RM2.4 billion to CNSB to meet the refinancing requirements of CNSB.

The CNSB Shareholder Loan was transacted on arm's length basis and on normal commercial terms that are generally available to third-party as the interest rate charged by Axiata was determined after taking into consideration the borrowing cost (including transaction cost) of Celcom should it seek debt financing.

Pursuant to the SPA, the CNSB Shareholder Loan of which the outstanding amount is approximately RM2,418.9 million (inclusive accrued profit) as at the LPD, is to be settled 6 months after the completion of the Proposed Merger, or may be further extended for a further 6 months by Axiata at its sole discretion, upon the request of Celcom Group, as set out in Section 2.9 of Part A of this Circular. For the avoidance of doubt, the extension of a further 6 months by Axiata at its sole discretion as stated above will not result in a change in the existing commercial terms of the CNSB Shareholder Loan.

CONFLICT OF INTEREST (Cont'd)

1.2 Telenor Group**Telenor Foreign Operations**

Telenor has interests in other entities outside Malaysia which carry on the business as the mobile telecommunication service providers.

Telenor Group is a Norwegian majority state-owned multinational telecommunications group of companies with operations worldwide, focused in Nordic and Asian markets, including in Pakistan, Bangladesh, Thailand and Malaysia. Telenor's businesses in foreign jurisdictions are collectively referred as the "**Telenor Foreign Operations**".

The MergeCo Group's business is primarily focused in Malaysia. As of LPD, the geographical markets of the Telenor Foreign Operations do not overlap with that of the MergeCo Group and as such do not compete directly with the business of the MergeCo Group. In addition, as at the LPD, Telenor Group does not have any interest in other telecommunications player in Malaysia other than via MergeCo.

1.3 Khazanah investees companies

As at the LPD, other than through its interest in Axiata, Khazanah has interest in TIME and TM which are carrying on a similar trade as the MergeCo Group.

Our Board is of the view that the potential conflict of interest arising from the interest/involvement of Khazanah in TIME, TM and edotco Group as disclosed in the table is mitigated by the following reasons:

- (i) Khazanah would not be a direct shareholder of MergeCo upon completion of the Proposed Merger. As such, Khazanah will not be voting in the general meetings of MergeCo nor would it have representatives on the Board of MergeCo. Khazanah's deemed interest in MergeCo is only via its shareholding in Axiata, which is a public listed company, and is managed and governed by its own Board. Khazanah's sole representative on the Board of Axiata is a non-executive director who is not involved in the day-to-day operations of Axiata; and
- (ii) Khazanah's degree of influence in the daily commercial affairs of the above companies is remote. The management of these companies are governed by their respective Boards who are fully authorised to manage their affairs. Further, the representatives of Khazanah who sit on the Boards of these companies are non-executive directors and they are not involved in the day-to-day operations of these companies.

In addition, as set out in the table above, Axiata Group (including edotco Group and Merchantrade Group), Telenor Group and Khazanah investees companies (TM, TNB and edotco Group) are also customers/suppliers of the Digi Group/Celcom Group and in the past, the transactions between the Digi Group/the Celcom Group with Axiata Group (including edotco Group and Merchantrade Group), Telenor Group, Khazanah investees companies (TM, TNB and edotco Group) are carried out on an arm's length basis on normal commercial terms which are not more favourable to the related parties than those generally available to third parties.

Although the interest that are held by the existing Directors of Digi, proposed directors and proposed substantial shareholders of MergeCo as well as the interests that may be held by them in the future in other businesses or companies which carry on a similar trade as the MergeCo Group or which are customers and/or suppliers of the MergeCo Group may give rise to a conflict of interest situation, the existing Directors of Digi, proposed directors and proposed substantial shareholders of MergeCo and persons connected to them shall abstain from deliberating and voting on the resolutions relating to these matters or on transactions that require the approval of our shareholders in respect of their direct or indirect interests. Such transactions will be carried out on arm's length basis and on normal commercial terms. Please refer to Section 1.4 of Appendix IV of this Circular for details relating to monitoring and oversight of related party transactions and conflict of interest situation.

CONFLICT OF INTEREST (Cont'd)

2. DECLARATION BY ADVISERS ON CONFLICT OF INTEREST

2.1 CIMB

CIMB, its related and associated companies, as well as its holding company, CIMB Group Holdings Berhad and the subsidiaries and associated companies of its holding company (“**CIMB Group**”) form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and funds management and credit transaction service businesses. CIMB Group has engaged and may in the future, engage in transactions with and perform services for Digi Group, Celcom Group and/or their respective affiliates, in addition to the roles set out in this Circular.

In addition, in the ordinary course of business, any member of the CIMB Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with Digi Group, Celcom Group and/or their respective affiliates, hold long or short positions in securities issued by Digi Group, Celcom Group and/or their respective affiliates, make investment recommendations and/or publish or express independent research views on such securities, and may trade or otherwise effect transactions for its own account or for the account of its customers in debt or equity securities or senior loans of Digi Group, Celcom Group and/or their respective affiliates. This is a result of the businesses of CIMB Group generally acting independent of each other, and accordingly there may be situations where parts of the CIMB Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interests of Digi Group.

As at the LPD, CIMB Bank Berhad and CIMB Islamic Bank Berhad, being the subsidiaries of CIMB Group Holdings Berhad (“**CIMB Banking Entities**”), have extended credit facilities as well as foreign exchange and derivatives facilities to Digi Group amounting to a total of approximately RM1,592.0 million, as part of their ordinary course of business. In addition, CIMB Banking Entities subscribed to fixed income securities issued by Digi Group and are among the sukuk holders of the sukuk programme issued by Digi Group, which amounts to a total of approximately RM250.0 million. In connection with the Proposals, CIMB also provides advisory services to Telenor in relation to the Shares Equalisation Arrangement and the Proposed Exemption.

CIMB is of the view that the abovementioned does not result in a conflict of interest in respect of its capacity as the Principal Adviser to our Company for the Proposals due to the following:

- (i) CIMB Banking Entities are licensed financial institutions and the extension of credit facilities as well as foreign exchange and derivatives facilities to Digi Group arose in their ordinary course of business;
- (ii) the total credit facilities and the foreign exchange and derivatives facilities granted by CIMB Banking Entities to Digi Group as well as the subscription of fixed income securities and investment in the sukuk programme issued by Digi Group amounting to a total of RM1,842.0 million are not material when compared to the audited NA of the CIMB Group as at 31 December 2021 of RM60.1 billion (representing approximately 3.1% of the CIMB Group’s audited NA);
- (iii) CIMB’s advisory services to Telenor are mainly regulatory in nature in respect of implementation process for the Shares Equalisation Arrangement, taking into consideration the Rules on Take Overs, Mergers and Compulsory Acquisitions; and
- (iv) CIMB is required under its investment banking license to comply with strict policies and guidelines issued by the SC, Bursa Securities and BNM governing its advisory operations. These guidelines require, among others, the establishment of Chinese wall policies, clear segregation between dealing and advisory activities and the formation of an independent committee to review its business operations.

CONFLICT OF INTEREST (Cont'd)

2.2 Christopher & Lee Ong

Christopher & Lee Ong has given its confirmation that they do not have any existing or potential interest in the Proposals, in Digi Group or Celcom Group and there is no existing or potential conflict of interest vis-à-vis the Proposals, Digi Group or Celcom Group in its capacity as the legal advisers to our Company in respect of the Proposals.

2.3 Ernst & Young PLT (“Ernst & Young”)

Ernst & Young has given its confirmation that they do not have any existing or potential interest in the Proposals, in Digi Group or Celcom Group and there is no existing or potential conflict of interest vis-à-vis the Proposals, Digi Group or Celcom Group in its capacity as the Reporting Accountants to Digi in respect of the Proposals.

2.4 PricewaterhouseCoopers PLT (“PwC”)

PwC has given its confirmation that they do not have any existing or potential interest in the Proposals, in Digi Group or Celcom Group and there is no existing or potential conflict of interest vis-à-vis the Proposals, Digi Group or Celcom Group in its capacity as the Reporting Accountants to with respect to the financial information of Celcom Group in respect of the Proposals.

2.5 KPMG

KPMG in Malaysia provides advisory services to Axiata, Celcom Group and Digi Group, but these advisory services are not related to the Proposed Merger, save for KPMG’s role as Independent Valuer appointed by Digi pertaining to the Proposed Merger. In addition, the Indicative Valuation is performed by a separate engagement team and proper ethical dividers are put in place.

Accordingly, KPMG has given its confirmation that they do not have any existing or potential interest in the Proposals, in Digi Group or Celcom Group and there is no existing or potential conflict of interest vis-à-vis the Proposals, Digi Group or Celcom Group in its capacity as the Independent Valuer in respect of the Proposals.

2.6 AmInvestment

AmInvestment, is a wholly-owned subsidiary of AMMB Holdings Berhad (“**AMMB**”). AMMB, AmInvestment, its subsidiaries and its related and associated companies (collectively, the “**AmBank Group**”) form a diversified financial group and may extend credit facilities or engage in private banking, commercial banking and investment banking transactions including, amongst others, brokerage, securities trading, asset and fund management and credit transaction service businesses in its ordinary course of business with Digi Group. AmBank Group has engaged and may in the future, engage in transactions with and perform services for Digi Group in addition to AmInvestment’s role as the Independent Adviser for the Proposals.

Furthermore, in the ordinary course of business, any member of the AmBank Group may at any time offer or provide its services to or engage in any transactions (whether on its own account or otherwise) with any member of Digi Group, hold long or short positions in the securities offered by any member of Digi Group, make investment recommendations and/or publish or express independent research views on such securities and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of Digi Group.

CONFLICT OF INTEREST *(Cont'd)*

As at the LPD, AmBank Group has extended total credit facilities of approximately RM476.0 million to Digi Group, which are not material when compared to the audited net assets of AmBank Group as at 31 December 2021 of approximately RM16,466 million (representing approximately 2.9% of the AmBank Group's audited net assets as at 31 December 2021). AmBank Group is not a substantial creditor to Digi Group pursuant to paragraph 3.11 of the Rules, and the loan extended to Digi Group:

- (i) is made on an arm's length basis;
- (ii) has been provided by AmBank Group in the ordinary course of business; and
- (iii) is not conditional upon AmInvestment being appointed as the Independent Adviser for the Proposals or upon any other proposals being undertaken by any entities within the AmBank Group.

AmInvestment, as part of AmBank Group confirm that there is no conflict of interest that exist or is likely to exist in relation to its role as the independent adviser for the Proposals, in Digi Group in view of the following:

- (i) AmInvestment is a licensed investment bank and its appointment as the Independent Adviser for the Proposals is in its ordinary course of business. AmInvestment does not have any interest in the Proposals other than acting as an Independent Adviser based on the terms of engagement that are mutually agreed between both parties. Further, AmInvestment does not receive or derive any financial interest or benefit save for the professional fees received in relation to its appointment as the Independent Adviser for the Proposals;
- (ii) the Corporate Finance Department of AmInvestment ("**AmCF**") is required under its investment banking license to comply with strict policies and guidelines issued by the SC, Bursa Securities and BNM governing its advisory operations. These guidelines require, among others, the establishment of Chinese wall policies, clear segregation between dealing and advisory activities and the formation of independent committees to review its business operations. In any event, the team in charge for this transaction is independent from the team handling the credit facilities. Further, there is no involvement by AmCF in respect of any credit application process undertaken by other departments within AmBank Group;
- (iii) the conduct of AmBank Group in its banking business is strictly regulated by the FSA, the CMSA and AmBank Group's own internal controls and checks which includes, segregation of reporting structures, where its activities are monitored and reviewed by independent parties and committees; and
- (iv) AmBank Group do not hold any substantial shares nor have any board representatives in Digi Group and Digi Group does not have any representatives on the board of AmBank Group.

Further, save for its appointment by the Company on 21 June 2021 as the Independent Adviser for the Proposals and credit facilities extended by AmBank Group to Digi Group, AmInvestment does not have any other professional relationship with Digi Group within the past 2 years preceding the LPD.