

AXIATA GROUP BERHAD (“AXIATA” OR THE “COMPANY”)

PROPOSED MERGER OF PT XL AXIATA TBK (“XL”) AND PT SMARTFREN TELECOM TBK (“SMARTFREN”)

(Unless otherwise stated, the exchange rates of IDR100:RM0.0279 and USD1:RM4.4245, being the middle rate prevailing at 5.00 p.m. on 9 December 2024 as published by Bank Negara Malaysia (“BNM”), has been applied in this Announcement for illustrative purposes only)

1. INTRODUCTION

On 15 May 2024, the Company announced that it had entered into a non-binding memorandum of understanding with:

- (i) PT Wahana Inti Nusantara (“**WIN**”);
- (ii) PT Global Nusa Data (“**GND**”); and
- (iii) PT Bali Media Telekomunikasi (“**BMT**”),

(WIN, GND and BMT are collectively referred to as “**Sinar Mas**”),

to mutually explore the proposed merger of XL and Smartfren in order to establish a stronger mobile telecommunications service provider in Indonesia, where both Axiata and Sinar Mas intend to remain as joint controlling shareholders of the merged entity.

On behalf of the Board of Directors of Axiata (“**Board**”), Maybank Investment Bank Berhad (“**Maybank IB**”) wishes to announce that the Company had on 10 December 2024 entered into the following agreements in relation to the Proposed Merger (as defined below):

- (i) a conditional merger agreement with Smartfren, PT Smart Telecom (“**ST**”), XL, WIN, GND, BMT and PT Gerbangmas Tunggal Sejahtera (“**GTS**”) (where WIN, GND, BMT and GTS are collectively be referred to as “**Sinar Mas Shareholders**”), Axiata Investment (Indonesia) Sdn Bhd (“**All**”) and PT Sinar Mas Tunggal (“**SMT**”) (“**CMA**”), where, among others, All and the Sinar Mas Shareholders agree to, subject to the terms and conditions of the CMA, effect a merger of the businesses of Smartfren and XL by way of a statutory merger of Smartfren, ST (being Smartfren’s subsidiary) and XL, in accordance with Indonesian laws (“**Proposed Business Combination**”) (with XL as the surviving legal entity and the resulting merged entity being “**MergeCo**”), with MergeCo maintaining its listing on the Indonesia Stock Exchange (“**IDX**”) following the completion of the Proposed Business Combination;
- (ii) a shareholder deed (“**SD**”) with the Sinar Mas Shareholders, All and SMT, where the parties agree to undertake certain obligations with respect of the Proposed Merger (as defined below);
- (iii) a conditional share purchase agreement with BMT, All and SMT (“**CSPA**”), where All agrees to transfer certain shares in MergeCo to BMT, such that, immediately following the completion of the Proposed Business Combination, All and BMT will each own an equal number of shares in MergeCo (where the transactions under the CSPA are referred to a “**Proposed Equalisation**”; whereas the Proposed Business Combination and the Proposed Equalisation are collectively referred to as “**Proposed Merger**”); and
- (iv) a shareholders agreement with All, WIN, GND, BMT, GTS and SMT (“**SHA**”) which will become effective upon the completion of the Proposed Business Combination, in order to, among others, establish their respective rights and obligations with respect to the activities and governance of the MergeCo and its subsidiaries and ownership post completion of the Proposed Merger.

(The CMA, SD, CSPA and SHA are collectively referred to as “**Transaction Agreements**”).

The salient terms of each of the Transaction Agreements are set out in **Appendices I to IV** of this Announcement respectively.

2. DETAILS OF THE PROPOSED MERGER

The Proposed Merger entails the following:

- (i) pursuant to the Proposed Business Combination, the effective transfer by operation of law of all of the assets, liabilities, obligations, rights, benefits, undertakings and businesses of each of Smartfren and ST to XL for a total purchase consideration of IDR11,917.9 billion (equivalent to approximately RM3,325.1 million) or IDR25 (equivalent to approximately RM0.0070) per ordinary share in Smartfren ("**Smartfren Shares**") based on 476,703,804,464 Smartfren Shares ("**Combination Consideration**") via the issuance of 5,071,431,786 new ordinary shares in XL at an issue price of IDR2,350 (equivalent to approximately RM0.6557) per ordinary share in XL ("**XL Shares**") ("**Consideration Shares**") on the closing of the Proposed Business Combination ("**Closing Date**"), subject to the terms and conditions of the CMA, SD and the provisions of applicable laws in Indonesia; and
- (ii) pursuant to the Proposed Equalisation, the disposal of 2,383,446,894 ordinary shares in MergeCo ("**MergeCo Shares**"), representing approximately 13.14% equity interest in MergeCo, by All to BMT for a cash consideration of up to USD475.0 million (equivalent to approximately IDR7,532.8 billion or RM2,101.6 million) ("**Equalisation Consideration**"), subject to the terms and conditions of the CSPA.

Pursuant to terms and conditions of the CSPA, the Equalisation Consideration is to be paid by BMT to All in the following manner:

- (a) an amount equal to USD400.0 million (equivalent to approximately RM1,769.8 million) at the completion of the Proposed Equalisation ("**Equalisation Completion**"); and
- (b) an amount equal to USD75.0 million (equivalent to approximately RM331.8 million) ("**Deferred Equalisation Consideration**") on the first anniversary of the Equalisation Completion if the condition for payment of the Deferred Equalisation Consideration are satisfied.

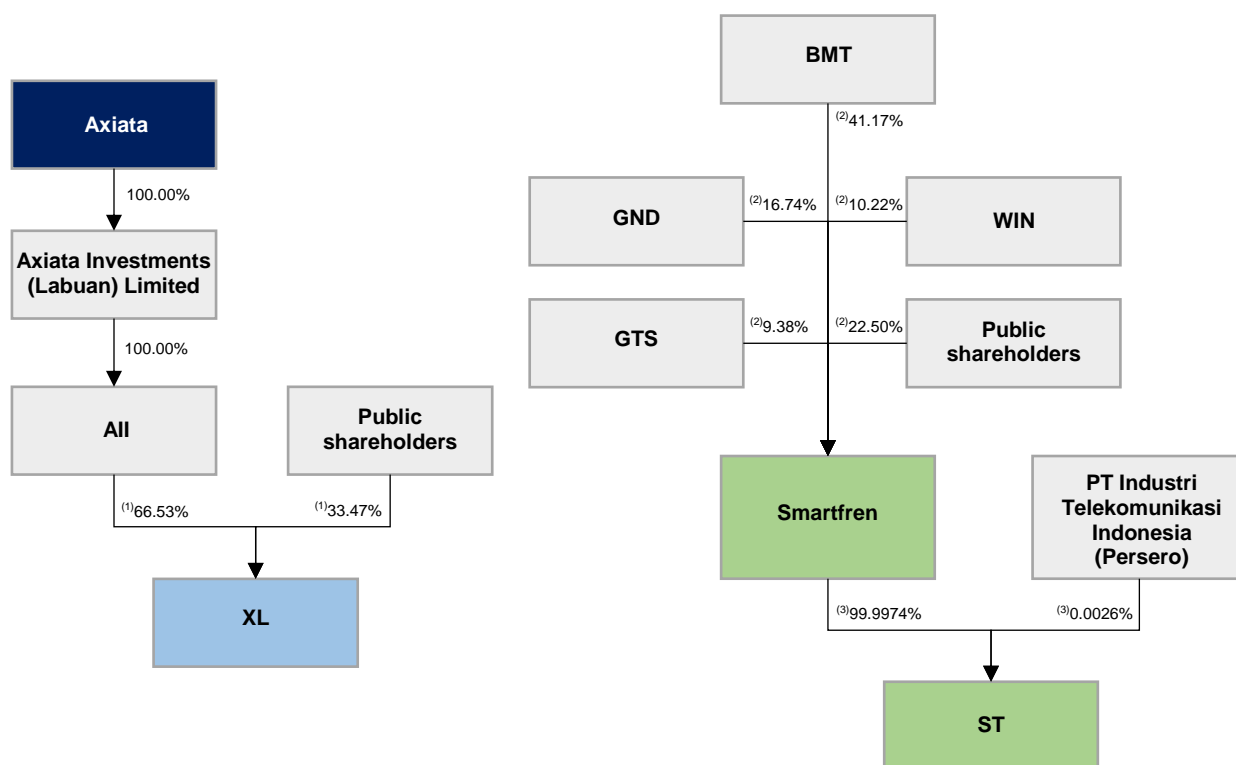
The Proposed Business Combination will be undertaken pursuant to the Law No. 40 of 2007 on Limited Liability Companies as amended by Law No. 6 of 2023 on the Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 on Job Creation to Become Law (as amended from time to time) ("**Job Creation Law**") ("**Company Law**") and OJK Rule No. 74/POJK.04/2016 on the Merger or Consolidation of Public Companies issued by the Indonesian Financial Services Authority (Otoritas Jasa Keuangan ("**OJK**")). Following the completion of the Proposed Business Combination, each of Smartfren and ST shall be dissolved under applicable Indonesian laws without prior liquidation and XL shall continue as the surviving entity of the Proposed Merger and shall assume all rights and benefits and be subject to all of the obligations and liabilities of each of Smartfren and ST.

The Consideration Shares will, upon allotment and issuance, rank equally in all respects with the existing XL Shares, save and except that the Consideration Shares will not be entitled to any dividends, rights, allotment and/or any other forms of distribution that may be declared, made or paid to shareholders of XL for which the entitlement date is prior to the date of allotment and issuance of the Consideration Shares, and shall be free from all encumbrances.

An application will be made by MergeCo to IDX for the listing of and quotation for the Consideration Shares on the IDX. Following the completion of the Proposed Merger, XL is proposed to be renamed to PT XLSmart Telecom Sejahtera Tbk ("**XLSmart**" i.e. "**MergeCo**") and will continue to be listed on IDX.

For illustrative purposes only, the shareholding structure of XL, Smartfren and ST respectively before and after the Proposed Merger are as follows:

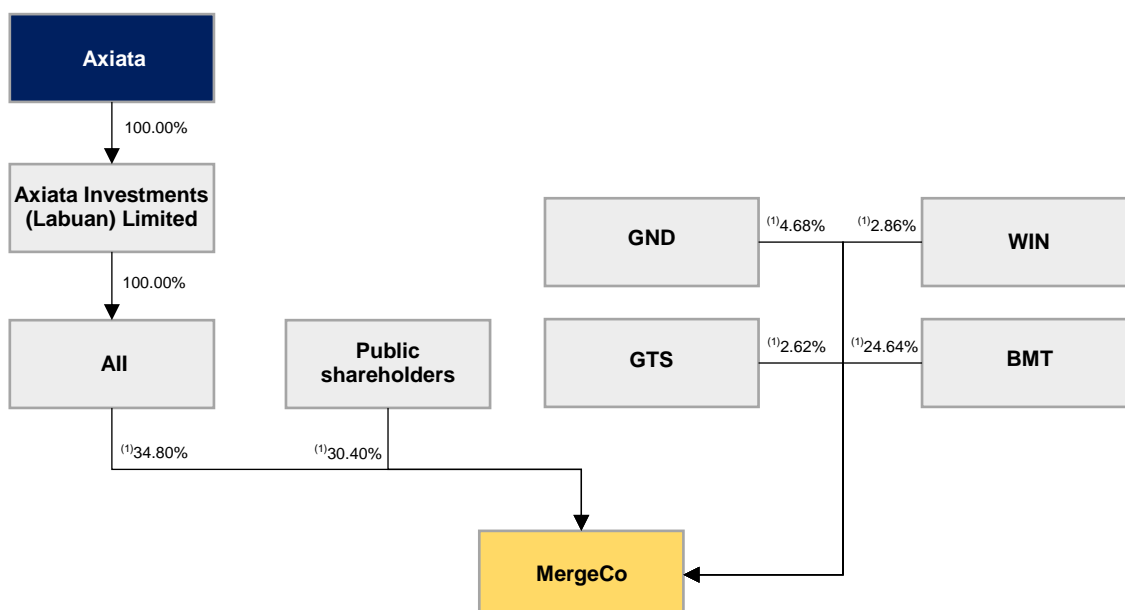
Before the Proposed Merger



Notes:

- 1) Computed based on 13,071,942,865 XL Shares (excluding treasury shares) as at 30 November 2024, being the latest practicable date prior to this Announcement (“LPD”).
- 2) Computed based on 476,703,804,464 Smartfren Shares as at the LPD.
- 3) Computed based on 941,192,772,018 ordinary shares of ST as at the LPD.

After the Proposed Merger⁽¹⁾⁽²⁾



Notes:

- (1) Computed based on the enlarged 18,143,374,651 MergeCo Shares (excluding treasury shares) after the Proposed Merger.
- (2) Assuming there are no share buybacks in relation to the share buyback arrangements pursuant to the Proposed Business Combination as detailed in Section 2.11 and **Appendix I** of this Announcement.

2.1 Information on XL

XL was incorporated in the Republic of Indonesia on 6 October 1989 as a private limited liability company under the name of PT Grahame Metropolitan Lestari. It changed its name to PT Excelcomindo Pratama in 1996 and in September 2005, the company undertook an initial public offering (“**IPO**”) and listed its shares on the IDX. In 2009, the company’s name was changed to its present name.

XL is principally involved in the provision of telecommunications networks and services, programming activities, computer consulting, information services activities, wholesale trade, management consulting and financial activities. The company entered the telecommunications field in 1996 as the first private company in Indonesia to provide cellular mobile telephony services.

As at the LPD, the issued share capital of XL is IDR1,307,194,286,500 comprising 13,071,942,865 XL Shares (excluding treasury shares).

As at the LPD, the commissioners of XL are as follows:

Name	Nationality	Designation
Dr. Muhamad Chatib Basri	Indonesian	President Commissioner
Dr. Shridhir Hans Wijayasuriya	British	Commissioner
Vivek Sood	Indian	Commissioner
Julianto Sidarto	Indonesian	Independent Commissioner
Yasmin Binti Aladad Khan	Malaysian	Independent Commissioner
Didi Syafruddin Yahya	Indonesian	Independent Commissioner
Nik Rizal Kamil	Malaysian	Commissioner

As at the LPD, none of the commissioners has any direct or indirect shareholding in XL.

As at the LPD, the directors of XL are as follows:

Name	Nationality	Designation
Dian Siswarini	Indonesian	President Director
Abhijit J. Navalekar	British	Director
David Arcelus Osés	Spanish	Director
Feiruz Ikhwan Bin Abdul Malek	Malaysian	Director
I Gede Darmayusa	Indonesian	Director
Yessie D. Yosetya	Indonesian	Director
Rico Usthavia Frans	Indonesian	Director

As at the LPD, the direct shareholding of the directors of XL in XL are as follows⁽¹⁾:

	No. of XL Shares held	%⁽²⁾
Dian Siswarni	9,764,622	0.07
Feiruz Ikhwan Bin Abdul Malek	222,134	^
David Arcelus Osés	3,125,421	0.02
Abhijit J. Navalekar	21	^
Yessie D. Yosetya	2,188,845	0.02
I Gede Darmayusa	454,924	^

Notes:

^ Negligible

(1) The directors of XL do not have any indirect shareholding in XL.

(2) Computed based on 13,071,942,865 XL Shares (excluding treasury shares) as at the LPD.

As at the LPD, the substantial shareholders of XL and their respective direct shareholdings in XL are as follows:

	<u>Place of Incorporation</u>	<u>No. of XL Shares held</u>	<u>%⁽¹⁾</u>
All	Malaysia	8,697,163,762	66.53

Note:

(1) Computed based on 13,071,942,865 XL Shares (excluding treasury shares) as at the LPD.

As at the LPD, the subsidiaries, associates and joint ventures of XL are as follows:

<u>Name</u>	<u>Place / Date of incorporation</u>	<u>Issued and paid-up capital</u>	<u>Equity interest (%)</u>	<u>Date commenced operations</u>	<u>Principal activities</u>
<u>Subsidiaries</u>					
PT Hipernet Indodata	Indonesia / 27 June 2007	IDR10,010,000,000 comprising 5,500 shares of IDR1,820,000 each	51.00	2007	Managed service provider and information technology ("IT") service
XL Axiata Singapore Pte Ltd (formerly known as Axiata Global Services Pte Ltd)	Singapore / 22 January 2018	USD100,000 comprising 100,000 shares of USD1 each	100.00	2018	Provision of international carrier services and management of partnerships and alliances
PT Data Enkripsi Informasi Teknologi	Indonesia / 5 April 2024	IDR10,010,000,000 comprising 10,010 shares of IDR1,000,000 each	⁽¹⁾ 50.95	2024	Cyber security services
<u>Associates</u>					
PT Link Net Tbk	Indonesia / 14 March 1996	IDR2,751,580,984 comprising 275,159 shares of IDR9999.97 each	20.00	1997	Internet services provider and cable television
PT Princeton Digital Group Data Centres	Indonesia / 1 July 2019	IDR1,876,436,800,000 comprising 5,203,100 shares of IDR360,638.23 each	10.71	2019	Activities relating to hosting and managing data centres
<u>Joint venture</u>					
PT One Indonesia Synergy	Indonesia / 9 May 2016	IDR2,502,000,000 comprising 2,502 shares of IDR1,000,000 each	50.00	Dormant	Computer consultancy and facility management

Note:

(1) Held indirectly through PT Hipernet Indodata which holds 99.9% equity interest in PT Data Enkripsi Informasi Teknologi.

Further information on XL is set out in **Appendix V** of this Announcement.

2.2 Information on Smartfren

Smartfren was incorporated in the Republic of Indonesia on 16 December 2002 as a private limited liability company under the name PT Mobile-8 Telecom. On 29 November 2006, the company undertook an IPO and listed its shares on the IDX. In 2011, the company's name was changed to its present name.

Smartfren is principally involved in the operations of telecommunications network and offering telecommunications services in the Republic of Indonesia and commenced its commercial operations on 8 December 2003.

As at the LPD, the issued share capital of Smartfren is IDR46,955,168,600,200 comprising 476,703,804,464 Smartfren Shares. As at the LPD, there are 71,540,834,108 series III warrants of Smartfren that have not been exercised.

As at the LPD, the commissioners of Smartfren are as follows:

<u>Name</u>	<u>Nationality</u>	<u>Designation</u>
DR. Darmin Nasution, SE	Indonesian	President Commissioner
Ferry Salman	Indonesian	Vice President Commissioner
Ir. Ketut Sanjaya, MSM	Indonesian	Independent Commissioner

As at the LPD, none of the commissioners has any direct or indirect shareholding in Smartfren.

As at the LPD, the directors of Smartfren are as follows:

<u>Name</u>	<u>Nationality</u>	<u>Designation</u>
Merza Fachys	Indonesian	President Director
Andrijanto Muljono ⁽¹⁾	Indonesian	Director
Antony Susilo	Indonesian	Director
Marco Paul Iwan Sumampouw	Indonesian	Director
Shurish Subbramaniam	Malaysian	Director

Note:

(1) Andrijanto Muljono holds 5,702,700 Smartfren Shares, representing less than 0.01% of the total number of Smartfren Shares of 476,703,804,464 as at the LPD.

As at the LPD, save for Andrijanto Muljono, none of the directors has any direct or indirect shareholding in Smartfren.

As at the LPD, the substantial shareholders of Smartfren and their respective direct shareholding in Smartfren are as follows:

	<u>Place of Incorporation</u>	<u>No. of Smartfren Shares held</u>	<u>%⁽¹⁾</u>
GND	Indonesia	79,779,942,154	16.74
WIN	Indonesia	48,702,324,400	10.22
BMT	Indonesia	196,254,739,539	41.17
GTS	Indonesia	44,708,371,873	9.38

Note:

(1) Computed based on 476,703,804,464 Smartfren Shares as at the LPD.

As at the LPD, the subsidiaries and associated company of Smartfren are as follows:

<u>Name</u>	<u>Place / Date of incorporation</u>	<u>Issued and paid-up capital</u>	<u>Equity interest (%)</u>	<u>Date commenced operations</u>	<u>Principal activities</u>
Subsidiaries					
ST	Indonesia / 25 July 1997	IDR218,043,250,000 comprising 218,043,250 Series A shares of IDR1,000 each IDR28,228,515,052,230 comprising 940,950,501,741 Series B shares of IDR30 each	99.99	2007	Tele-communications
PT Distribusi Sentra Jaya ("DSJ")	Indonesia / 21 August 2014	IDR599,999,000,000 comprising 599,999 shares of IDR1,000,000 each	99.99	2014	General trading
Associate					
PT Mora Telematika Indonesia Tbk ("Moratel")	Indonesia / 21 December 2000	IDR433,183,571,000 comprising 4,331,835,710 shares of IDR100 each	18.32	2007	Tele-communications

As at the LPD, Smartfren does not have any joint ventures.

Further information on Smartfren is set out in **Appendix VI** of this Announcement.

2.3 Information on ST

ST was incorporated in the Republic of Indonesia on 25 July 1997 as a private limited liability company under its previous name, PT Indoprima Mikroselindo. ST is principally involved in the operations of telecommunications network and services in the Republic of Indonesia.

As at the LPD, the issued share capital of ST is IDR28,470,785,329,230 comprising 941,192,772,018 ordinary shares ("**ST Shares**") of which, 242,270,277 are Series A shares at IDR1,000 each ("**Series A ST Shares**") and 940,950,501,741 are Series B shares at IDR30 each ("**Series B ST Shares**").

As at the LPD, the commissioners of ST are as follows:

<u>Name</u>	<u>Nationality</u>	<u>Designation</u>
Ferry Salman	Indonesian	President Commissioner
Ir. Lukmono Sutarto	Indonesian	Commissioner

As at the LPD, none of the commissioners has any direct or indirect shareholding in ST.

As at the LPD, the directors of ST are as follows:

<u>Name</u>	<u>Nationality</u>	<u>Designation</u>
Merza Fachys	Indonesian	President Director
Antony Susilo	Indonesian	Director

<u>Name</u>	<u>Nationality</u>	<u>Designation</u>
Andrijanto Muljono	Indonesian	Director
Marco Paul Iwan Sumampouw	Indonesian	Director

As at the LPD, none of the directors has any direct or indirect shareholding in ST.

As at the LPD, the substantial shareholders of ST and their respective direct shareholding in ST is as follows:

	<u>Place of Incorporation</u>	<u>No. of ST Shares held</u>	<u>%⁽¹⁾</u>
Smartfren	Indonesia	⁽²⁾ 941,168,544,991	99.99

Note:

(1) Computed based on 941,192,772,018 ST Shares as at the LPD.

(2) Comprising of 218,043,250 Series A ST Shares and 940,950,501,741 Series B ST Shares.

As at the LPD, the subsidiary and associated company of ST are as follows:

<u>Name</u>	<u>Place / Date of incorporation</u>	<u>Issued and paid-up capital</u>	<u>Equity interest (%)</u>	<u>Date commenced operations</u>	<u>Principal activities</u>
<u>Subsidiary</u>					
DSJ	Indonesia / 21 August 2014	IDR599,999,000,000 comprising 599,999 shares of IDR1,000,000 each	99.99	2014	General trading
<u>Associate</u>					
Moratel	Indonesia / 21 December 2000	IDR433,183,571,000 comprising 4,331,835,710 shares of IDR100 each	18.32	2007	Tele-communications

As at the LPD, ST does not have any joint venture.

2.4 Information on Sinar Mas Shareholders

2.4.1 WIN

WIN was incorporated in the Republic of Indonesia on 24 August 2006 as a private limited liability company. WIN is principally involved in carrying out wholesale trade of telecommunications equipment and other management consulting activities.

As at the LPD, the issued share capital of WIN is IDR6,149,800,800,000 comprising 61,498,008 ordinary shares ("**WIN Shares**").

As at the LPD, the commissioner of WIN is as follows:

<u>Name</u>	<u>Nationality</u>	<u>Designation</u>
Hendro Widjaja	Indonesian	Commissioner

As at the LPD, the commissioner does not have any direct or indirect shareholding in WIN.

As at the LPD, the directors of WIN are as follows:

<u>Name</u>	<u>Nationality</u>	<u>Designation</u>
Ferry Salman	Indonesian	President Director

<u>Name</u>	<u>Nationality</u>	<u>Designation</u>
Ir. Lukmono Sutarto	Indonesian	Director

As at the LPD, none of the directors has any direct or indirect shareholding in WIN.

As at the LPD, the substantial shareholders of WIN and their respective direct shareholding in WIN is as follows:

	<u>Place of Incorporation</u>	<u>No. of WIN Shares held</u>	<u>%⁽¹⁾</u>
PT Gerbangmas Tunggal Sejahtera	Indonesia	61,498,007	99.99

Note:

(1) Computed based on 61,498,008 WIN Shares as at the LPD.

2.4.2 GND

GND was incorporated in the Republic of Indonesia on 17 November 2003 as a private limited liability company. GND is principally involved in carrying out wholesale trade of telecommunications equipment and other management consulting activities.

As at the LPD, the issued share capital of GND is IDR8,594,949,567,000 comprising 8,594,949,567 ordinary shares ("**GND Shares**").

As at the LPD, the commissioner of GND is as follows:

<u>Name</u>	<u>Nationality</u>	<u>Designation</u>
Siany Muliani	Indonesian	Commissioner

As at the LPD, the commissioner does not have any direct or indirect shareholding in GND.

As at the LPD, the directors of GND are as follows:

<u>Name</u>	<u>Nationality</u>	<u>Designation</u>
Marco Paul Iwan Sumampouw	Indonesian	President Director
Antony Susilo	Indonesian	Director

As at the LPD, none of the directors has any direct or indirect shareholding in GND.

As at the LPD, the substantial shareholders of GND and their respective direct shareholding in GND is as follows:

	<u>Place of Incorporation</u>	<u>No. of GND Shares held</u>	<u>%⁽¹⁾</u>
PT Prima Mas Abadi	Indonesia	8,594,949,566	99.99

Note:

(1) Computed based on 8,594,949,567 GND Shares as at the LPD.

2.4.3 BMT

BMT was incorporated in the Republic of Indonesia on 17 November 2003 as a private limited liability company. BMT is principally involved in carrying out wholesale trade of telecommunications equipment and other management consulting activities.

As at the LPD, the issued share capital of BMT is IDR11,332,703,182,000 comprising 11,332,703,182 ordinary shares ("**BMT Shares**").

As at the LPD, the commissioner of BMT is as follows:

Name	Nationality	Designation
Ho Suk Tjen	Indonesian	Commissioner

As at the LPD, the commissioner does not have any direct or indirect shareholding in BMT.

As at the LPD, the directors of BMT are as follows:

Name	Nationality	Designation
Marco Paul Iwan Sumampouw	Indonesian	President Director
James Wewengkang	Indonesian	Director

As at the LPD, none of the directors has any direct or indirect shareholding in BMT.

As at the LPD, the substantial shareholders of BMT and their respective direct shareholding in BMT is as follows:

	Place of Incorporation	No. of BMT Shares held	%⁽¹⁾
PT Infinity Investama	Indonesia	11,332,703,181	99.99

Note:

(1) Computed based on 11,332,703,182 BMT Shares as at the LPD.

2.4.4 GTS

GTS was incorporated in the Republic of Indonesia on 22 August 2005 as a private limited liability company. GTS is principally involved in carrying out wholesale trade of various goods and other management consulting activities.

As at the LPD, the issued share capital of GTS is IDR6,409,520,000,000 comprising 12,819,040 ordinary shares ("**GTS Shares**").

As at the LPD, the commissioner of GTS is as follows:

Name	Nationality	Designation
Franky Oesman Widjaja	Indonesian	Commissioner

As at the LPD, the commissioner does not have any direct or indirect shareholding in GTS.

As at the LPD, the directors of GTS is as follows:

Name	Nationality	Designation
Aditya Gunawan	Indonesian	President Director
Ir. Lukmono Sutarto	Indonesian	Director

As at the LPD, none of the directors has any direct or indirect shareholding in GTS.

As at the LPD, the substantial shareholders of GTS and their respective direct shareholding in GTS is as follows:

	Place of Incorporation	No. of GTS Shares held	%⁽¹⁾
PT Sinarmas Eka Makmur	Indonesia	12,819,039	99.99

Note:

(1) Computed based on 12,819,040 GTS Shares as at the LPD.

2.5 Information on SMT

SMT was incorporated in the Republic of Indonesia on 19 October 1982 as a private limited liability company. SMT is principally involved in carrying out wholesale trade of various goods and other management consulting activities.

As at the LPD, the issued share capital of SMT is IDR1,490,369,000,000 comprising 14,903,690,000 ordinary shares (“**SMT Shares**”).

As at the LPD, the commissioner of SMT is as follows:

<u>Name</u>	<u>Nationality</u>	<u>Designation</u>
Franky Oesman Widjaja	Indonesian	Commissioner

As at the LPD, the commissioner holds 126,000,000 SMT Shares and has no indirect shareholding in SMT.

As at the LPD, the directors of SMT are as follows:

<u>Name</u>	<u>Nationality</u>	<u>Designation</u>
Pedy Harianto	Indonesian	President Director
Ir. Lukmono Sutarto	Indonesian	Director

As at the LPD, none of the directors has any direct or indirect shareholding in SMT.

As at the LPD, the substantial shareholders of SMT and their respective direct shareholding in SMT is as follows:

	<u>Nationality / Place of Incorporation</u>	<u>No. of SMT Shares held</u>	<u>%⁽¹⁾</u>
PT Sinar Mas	Indonesia	14,777,690,000	99.15

Note:

(1) Computed based on 14,903,690,000 SMT Shares as at the LPD.

2.6 Cash company or Practice Note (“PN”) 17 company

The Proposed Equalisation will not result in Axiata becoming a cash company nor a PN17 company as defined under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Listing Requirements**”).

2.7 Utilisation of proceeds

The Proposed Equalisation is expected to raise cash proceeds of approximately up to USD475.0 million (equivalent to approximately RM2,101.6 million). The proceeds shall be utilised for paring down existing borrowing facilities, supporting working capital and business needs of Axiata and defraying expenses relating to the Proposed Merger of approximately USD17.0 million (equivalent to approximately RM75.2 million).

2.8 Original cost of investment in XL

The total original cost of investment in XL made by All from 25 April 2008 up to 30 December 2022 is approximately RM6,310,482,422.

2.9 Listing status of XL post completion of the Proposed Merger

XL will maintain its listing status on the IDX.

2.10 Liabilities to be assumed

The Company acts as a guarantor under the Transaction Agreements. Save for this, there are no liabilities, including contingent liabilities and guarantees, to be assumed by the Company pursuant to the Proposed Merger. XL will assume all the assets, liabilities, obligations, rights, benefits, undertakings and businesses of each Smartfren and ST pursuant to the Proposed Business Combination.

There are no liabilities, including contingent liabilities, which will remain with All pursuant to the Proposed Equalisation.

2.11 Share buyback arrangement pursuant to the Proposed Business Combination

XL shall purchase the XL Shares and Smartfren Shares tendered by any eligible XL and Smartfren shareholders who have voted against the Proposed Business Combination and who have elected to tender their shares ("**Buyback Shares**"), provided that the aggregate amount of Buyback Shares that XL is required to purchase shall not exceed 10% of the total number of XL Shares as at the date of XL's extraordinary general meeting ("**EGM**") in relation to the Proposed Merger ("**Buyback Cap**").

However, if the number of Buyback Shares exceed the Buyback Cap, then in relation to such excess shares in Smartfren and/or shares in XL, All and the Sinar Mas Shareholders shall purchase in equal portions (or such other portions as agreed in writing between All and the Sinar Mas Shareholders) such excess shares, provided that each of the All and the Sinar Mas Shareholders may agree in writing to designate another entity or entities to acquire such excess shares on its behalf.

Further information on the share buyback arrangement pursuant to the Proposed Business Combination is set out in **Appendix I** of this Announcement.

2.12 Dividends distribution by XL

XL intends to distribute cash dividends of up to USD70.0 million (equivalent to approximately IDR1,110.1 billion or RM309.7 million) ("**Dividends Distribution**"). The final amount of the Dividends Distribution is dependent on the company's capital adequacy, financial condition and other factors, including considerations from the board of directors of XL, as well as applicable laws and regulations, and is expected to be distributed in the first half of 2025 after the next annual general meeting of XL.

The Dividends Distribution does not affect the Merger Exchange Ratio (as defined in **Appendix I** of this Announcement).

3. BASIS OF AND JUSTIFICATION FOR THE CONSIDERATION OF THE PROPOSED MERGER

3.1 Combination Consideration

The Combination Consideration was arrived at on a willing-buyer willing-seller basis after taking into consideration the following:

- (i) the 5-day, 1-month, 3-month, 6-month and 1-year volume weighted average market price ("**VWAMP**") of Smartfren Shares up to and including 9 December 2024, being the last practicable trading day prior to this Announcement ("**LTD**"), ranging between IDR25 and IDR37 (equivalent to approximately RM0.0070 and RM0.0103);

- (ii) the historical closing prices of Smartfren Shares for the last one (1) year up to and including the LTD, ranging between IDR24 and IDR53 (equivalent to approximately RM0.0067 and RM0.0148); and
- (iii) the internal assessment by the management of Axiata on the equity value of Smartfren and ST based on common valuation methodologies such as the income approach using the discounted cash flow (“DCF”) method, market approach using the guideline publicly traded companies (“GPTC”) method as well as the cost approach using the adjusted NA (“ANAM”) method.

The Combination Consideration represents the following premium/(discount) over the last transacted price and VWAMP of Smartfren Shares up to and including the LTD:

	Price per Smartfren Share		Premium / (Discount)		
	IDR	RM	IDR	RM	%
Closing price of Smartfren Shares as at the LTD	27	0.0075	(2)	(0.0006)	(7.41)

VWAMP of Smartfren Shares up to and including the LTD:

5-day	25	0.0070	-	-	-
1-month	25	0.0070	-	-	-
3-month	27	0.0075	(2)	(0.0006)	(7.41)
6-month	29	0.0081	(4)	(0.0011)	(13.79)
1-year	37	0.0103	(12)	(0.0033)	(32.43)

(Source: Bloomberg)

Having considered the above, the Board is of the view that the Combination Consideration is justifiable, premised on the following:

- (i) the Combination Consideration represents a discount to the closing price of Smartfren Shares as at the LTD and to the 3-month, 6-month and 1-year VWAMP of Smartfren Shares up to and including the LTD;
- (ii) the implied enterprise value (“EV”) to earnings before interest, tax, depreciation and amortisation (“EBITDA”) multiple of 5.9 times represented by the Combination Consideration falls within the range of trading EV/EBITDA multiples of the selected comparable companies as set out in Section 3.4 of this Announcement;
- (iii) the audited consolidated net assets (“NA”) of Smartfren and its subsidiaries (“**Smartfren Group**”) as at the financial period ended (“FPE”) 30 September 2024 of IDR21,730.6 billion (equivalent to approximately RM6,062.8 million) or IDR46 per Smartfren Share (equivalent to approximately RM0.0128 per Smartfren Share);
- (iv) financial performance of Smartfren Group as set out in **Appendix VI** of this Announcement;
- (v) rationale and benefits of the Proposed Merger as set out in Section 4 of this Announcement; and
- (vi) prospects of the mobile telecommunications industry in Indonesia and prospects of MergeCo as set out in Section 5 of this Announcement.

3.2 Consideration Shares

The issue price of IDR2,350 (equivalent to approximately RM0.6557) per Consideration Share (“**Issue Price**”) was arrived at after taking into consideration the following:

- (i) the 5-day, 1-month, 3-month, 6-month and 1-year VWAMP of XL Shares up to and including the LTD, ranging between IDR2,206 and IDR2,282 (equivalent to approximately RM0.6155 and RM0.6367);
- (ii) the historical closing prices of XL for the last one (1) year up to and including the LTD, ranging between IDR1,895 and IDR2,610 (equivalent to approximately RM0.5287 and RM0.7282 respectively); and
- (iii) the internal assessment by the management of Axiata on the equity value of XL based on common valuation methodologies such as the income approach using the DCF method, market approach using the GPTC method as well as the cost approach using the ANAM method.

The Issue Price represents the following premium/(discount) over the last transacted price and VWAMP of XL Shares up to and including the LTD:

	Price per XL Share		Premium / (Discount)		
	IDR	RM	IDR	RM	%
Closing price of XL Shares as at the LTD	2,300	0.6417	50	0.0140	2.17

VWAMP of XL Shares up to and including the LTD:

5-day	2,280	0.6361	70	0.0195	3.07
1-month	2,206	0.6155	144	0.0402	6.53
3-month	2,257	0.6297	93	0.0259	4.12
6-month	2,241	0.6252	109	0.0304	4.86
1-year	2,282	0.6367	68	0.0190	2.98

(Source: Bloomberg)

Having considered the above, the Board is of the view that the Issue Price is justifiable, premised on the following:

- (i) the Issue Price represents a premium to the closing price of XL Shares as at the LTD and VWAMP of XL Shares up to and including the LTD;
- (ii) the audited consolidated NA of XL and its subsidiaries (“**XL Group**”) as at the FPE 30 September 2024 of IDR25,702.6 billion (equivalent to approximately RM7,171.0 million) or IDR1,966 per XL Share (equivalent to approximately RM0.5485 per XL Share);
- (iii) financial performance of XL Group as set out in **Appendix V** of this Announcement;
- (iv) rationale and benefits of the Proposed Merger as set out in Section 4 of this Announcement; and
- (v) prospects of the mobile telecommunications industry in Indonesia and prospects of MergeCo as set out in Section 5 of this Announcement.

3.3 Equalisation Consideration

The Equalisation Consideration was arrived at on a willing-buyer willing-seller basis after taking into consideration the internal assessment by the management of Axiata on the equity value of XL, Smartfren and ST based on common valuation methodologies such as the income approach using the DCF method, market approach using the GPTC method as well as the cost approach using the ANAM method.

Having considered the above, the Board is of the view that the Equalisation Consideration is justifiable, premised on the following:

- (i) the implied EV/EBITDA multiple of 5.3 times represented by the Equalisation Consideration falls within the range and above the average of trading EV/EBITDA multiples of the selected comparable companies as set out in Section 3.4 of this Announcement;
- (ii) the Equalisation Consideration captures the controlling premium of the Consideration Shares due to joint control between Axiata and Sinar Mas after the Proposed Business Combination;
- (iii) the pro forma combined NA of MergeCo of IDR47,433.2 billion (equivalent to approximately RM13,233.9 million) or IDR2,614 per MergeCo Share (equivalent to approximately RM0.7293 per MergeCo Share);
- (iv) rationale and benefits of the Proposed Merger as set out in Section 4 of this Announcement; and
- (v) prospects of the mobile telecommunications industry in Indonesia and prospects of MergeCo as set out in Section 5 of this Announcement.

3.4 Selected comparable companies

The trading EV/EBITDA multiples of selected comparable companies of XL and Smartfren are as follows:

<u>Name of company</u>	<u>Principal activities</u>	<u>Country</u>	<u>EV/EBITDA multiple⁽¹⁾ (times)</u>
PT Indosat Tbk	Together with its subsidiaries, provides telecommunication services in Indonesia.	Indonesia	4.9
PT Telekomunikasi Indonesia Tbk	Provides telecommunications, informatics, and network services worldwide.	Indonesia	4.3
Axiata Group Berhad	Provides establishment, maintenance, and provision of telecommunications and related services	Malaysia	4.7
CelcomDigi Berhad	Provides internet and wireless telecommunication products and services through the global system for mobile telecommunications network.	Malaysia	9.4

<u>Name of company</u>	<u>Principal activities</u>	<u>Country</u>	<u>EV/EBITDA multiple⁽¹⁾</u> <u>(times)</u>
Maxis Berhad	Provides a suite of converged telecommunications, digital, and related services and solutions in Malaysia and internationally.	Malaysia	8.6
PLDT Inc.	Operates as an integrated telecommunications company in the Philippines.	Philippines	⁽²⁾ 5.7
Globe Telecom, Inc.	Provides telecommunications services to individual customers, small and medium-sized businesses, and corporate and enterprise clients in the Philippines.	Philippines	7.4

Minimum	4.3
Maximum	9.4
Average	6.4
XL	4.3
Smartfren	6.0

(Source: Bloomberg and latest available financial results)

Notes:

(1) Computed based on the following:

- the respective market capitalisation of the comparable companies as the LTD ("**Market Cap**");
- the respective EVs of the comparable companies which was arrived at based on the latest available financial results as follows:

(EV = Market Cap – cash and cash equivalents + total debts including lease liabilities); and
- EBITDA of the comparable companies based on the latest available trailing 12-month financial results prior to the date of this Announcement.

(2) EBITDA computed based on the latest available trailing 12-month financial results of the continuing operations of PLDT Inc. prior to the date of this Announcement.

4. RATIONALE AND BENEFITS OF THE PROPOSED MERGER

The Proposed Merger has significant strategic, operational and financial merits as follows:

- The Proposed Merger is expected to bring about a commercially stronger and more resilient player in the Indonesia telecommunications market. The Proposed Merger is expected to provide strategic, operational, and financial benefits that should allow the combined entity to deliver value to all shareholders. The Proposed Merger also presents a pivotal opportunity to stabilise and foster more sustainable competition across the market.

- (ii) The Proposed Merger is expected to drive tower consolidation, optimising infrastructure usage, enhancing operational efficiency and improved network reliability. Additionally, the consolidation is expected to drive innovation and strengthen the overall network capacity, ensuring service quality and broader coverage, which is critical for supporting the growing demands of 5G deployment.
- (iii) The Proposed Merger is expected to enhance network quality and broaden coverage by integrating Smartfren's network assets. Customers are expected to benefit from the expanded footprint which will not only lead to improved network coverage but also a seamless and high-performance network experience across Indonesia. By leveraging combined resources, MergeCo is expected to enhance network capacity and service reliability, delivering connectivity and enabling a more competitive position in the rapidly evolving telecommunications market.
- (iv) The Proposed Merger is expected to mark a pivotal step in furthering Indonesia's digital agenda and supporting the national agenda in promoting the equitable distribution of digital infrastructure across the nation. The strengthening of the network coverage and continuous rollout would be key in fostering an inclusive and sustainable digital local ecosystem.

5. INDUSTRY OVERVIEW AND PROSPECTS

5.1 Overview and outlook of the Indonesian economy

Indonesia's gross domestic product ("GDP") growth remains resilient surpassing the middle-income countries' average at 5.1% in the first quarter of 2024. Robust private consumption accounted for 57% of GDP growth which reflects consumer confidence supported by softening inflation in non-food products, the hike in civil servant wages, and robust performance in consumer services. Public consumption rebounded in the first quarter of 2024 driven by election-related and social spending. This rebound outweighs the negative contribution of growth of net exports as weak global demand and commodities price volatility have dampened exports earnings.

Headline inflation rose to 2.8% year-on-year in May 2024 but remains within Bank Indonesia's ("BI") target. Fiscal revenues declined by 4.2% year-on-year as commodity windfalls subsided and economic activity moderated. In April 2024, BI raised its policy rate by 25 basis points, bringing it to 6.25%, the highest since 2016. The rate hike came as delays in anticipated policy rate cuts in advanced economies triggered notable portfolio and other investment outflows causing currency pressures in many emerging markets, including Indonesia.

Going forward, the economy is expected to benefit from a pick-up in public consumption and investment but will face headwinds, notably from worsening terms of trade. GDP growth is projected to average 5.1% over the period of 2024 to 2026. Consumption will continue to drive growth, supported by a pick-up in public consumption as new social spending programs from the incoming administration take effect. Headline inflation is expected to remain stable, averaging 3% in 2024 and 2.9% thereafter, well within BI's target band but facing upward pressure from food and energy prices. With increased social spending and public investment, the fiscal deficit is expected to be higher but remain within the 3% rule.

(Source: Indonesia Economic Prospects June 2024, World Bank Group)

5.2 Overview of Indonesia's mobile telecommunications industry

In Indonesia, growth in the number of fixed and mobile connections is expected to be the primary driver of increased total retail revenue, as the average revenue per user ("ARPU") is expected to remain flat. Total retail revenue is expected to increase at a compound annual growth rate ("CAGR") of 4.5% between 2024 and 2029, reaching IDR389 trillion (USD25 billion). The number of broadband and mobile connections is expected to rise by 56% and 18%, respectively, from 2024 to 2029.

Hutchinson 3 Indonesia and Indosat Ooredoo's merger (to create Indosat Ooredoo Hutchinson ("IOH")) in January 2022 consolidated to better compete with Telkom Indonesia, the dominant player. The merger reduced competition resulting in a 6% lift in mobile ARPU from 2022 to 2023.

Mobile and retail revenue is expected to grow at a CAGR of 3.1% between 2024 and 2029 to reach IDR208 trillion (USD13 billion). There are increasingly more mobile connections due to a push from operators offering more affordable handsets. Additionally, the prepaid market has further potential as handset penetration is lower compared to similar markets. Indonesia's handset penetration was 109% in 2023, while in Malaysia and Thailand it was 133% and 130% respectively. Higher mobile prices, due to the reduction in competition from the IOH merger, is expected to cause mobile ARPU to increase over the forecast period.

Fixed retail revenue is expected to rise at a CAGR of 6.3% between 2024 and 2029 to reach IDR192 trillion (USD12 billion). New broadband connections are expected to drive this growth but is expected to be slightly offset by declining fixed voice revenue and broadband average selling price per user ("ASPU"). Broadband household penetration in 2023 was 17% and connection numbers are expected to grow steadily alongside the roll-out of operators' fibre networks. Revenue is expected to be offset slightly by a decline in broadband ASPU due to fibre tariffs becoming more affordable as it becomes more widely available.

(Source: Indonesia: telecoms market forecast 2024-2029 prepared by Analysys Mason Pte. Limited)

5.3 Prospects of MergeCo

The Proposed Merger represents a transformative opportunity to establish a more competitive and resilient operational framework, positioning MergeCo to adapt effectively to the rapidly evolving telecommunications sector and deliver meaningful value across its ecosystem of subscribers, employees, shareholders, and other stakeholders.

The Proposed Merger should also be able to address unique structural challenges in Indonesia's telecommunications sector, creating long-term benefits for consumers, businesses, and communities. Through the strategic combination of XL and Smartfren, MergeCo should be better positioned to support much-needed investment into utility infrastructure, digital service innovations, and network connectivity across the country - key priorities for Indonesia's accelerating digital economy.

This consolidation is expected to enable the telecommunications industry to scale more effectively, unlocking efficiencies that improve network quality, broaden coverage, and expedite the rollout of 5G. Consumers should directly benefit from faster, more reliable services, competitive pricing, and access to innovative products. At the same time, consolidation should make the industry more sustainable financially by removing duplicate investments.

MergeCo is expected to have the capacity and capabilities to accelerate investments into significant digitalisation initiatives both internally and externally. The Proposed Merger aims to support the government's broader vision of a digitally inclusive future by ensuring that market dynamics favour sustainable growth, continuous technological advancements, and equitable access to high-quality telecommunications services. As part of MergeCo's key agenda to drive digital evolution and innovation, MergeCo is committed to support local start-ups, vendors, micro, small and medium enterprises and large enterprises in their digitalization efforts through stronger combined network and channels, enhanced and wider digital access and product offerings.

6. RISKS OF THE PROPOSED MERGER

Both the Axiata Group and Smartfren are involved in the telecommunications sector in Indonesia. Accordingly, the Board does not foresee any material change to the risk profile of the Axiata Group arising from the Proposed Merger as the Axiata Group is already exposed to inherent risks in the telecommunications sector. However, there are other risks that may arise from or associated with the Proposed Merger as set out below, which are by no means exhaustive:

6.1 Completion risk

The completion of the Proposed Merger is conditional upon the conditions precedent as set out in **Appendix I** of this Announcement being fulfilled or waived, several of which are beyond the control of the relevant parties. These include, amongst others, obtaining the relevant approvals and consents from the relevant authorities.

There can be no assurance that such approvals and consents will be obtained or that the conditions precedent will be fulfilled to the satisfaction of the parties or otherwise waived within the prescribed timeframe. Should any of the conditions precedent not be fulfilled or waived, the Transaction Agreements may be terminated and the Proposed Merger will not be completed. Notwithstanding, Axiata will take all necessary and reasonable steps to ensure the fulfilment of the conditions precedent in the Transaction Agreements which are within the Company's control within the stipulated timeframe as well as mitigate the occurrence of any of the termination events that are within the Company's control to complete the Proposed Merger.

6.2 Integration risk

The various synergistic benefits expected to be reaped from the Proposed Merger will also depend on the success of the integration process to be implemented by MergeCo. Time and commitment are required to successfully achieve a fast and effective integration, and any delays or difficulties in the integration process may adversely affect MergeCo's ability to derive the anticipated synergistic benefits from the Proposed Merger.

Challenges that may be encountered during the process of integrating XL and Smartfren include differences in, among others, culture, corporate direction, standard operating policies, risk management and credit control policies, compliance policies, human resource policies and information and communications technology systems. Post completion of the Proposed Merger, MergeCo will undertake the necessary efforts to ensure that a proper integration process be put in place to ensure a successful integration. However, there can be no assurance that the integration process will be completed in a timely manner or that MergeCo will not encounter any of the abovementioned challenges during the integration process.

6.3 Joint management risk

Notwithstanding the respective terms in the Transaction Agreements which will bind the parties to the Transaction Agreements in respect of the governance and management of MergeCo, any differences in views, objectives, plans or directions among the parties may result in delayed decisions or failures to agree on major issues. Given the equal ownerships of both All and the Sinar Mas Shareholders in MergeCo and the relevant reserved matters as set out in the Transaction Agreements, there may be disagreements between the parties which may adversely affect MergeCo's ability to achieve its business objectives.

6.4 Regulations on licences

The operation of mobile telecommunications business, and provision of related services in Indonesia are subject to certain approvals, licences, registrations and permissions granted by the Government of Indonesia and are regulated by the Minister of Communication and Digital of Indonesia (*Menteri Komunikasi dan Digital Republik Indonesia*) (the “**MOCD**”). Changes in laws, rules and regulations or government policy in Indonesia or in relation to the licences to the mobile telecommunications industry in Indonesia could adversely affect MergeCo’s businesses. Changes in other regulations such as regulations on telecom rates in interconnect and international termination price may also adversely affect MergeCo’s financial performance and Indonesia’s mobile telecommunications industry.

Any breach of the terms and conditions of the licences by MergeCo or failure to comply with the applicable regulations on MergeCo’s part may result in MergeCo being imposed with certain type of sanctions, among others being fined or its licences being suspended and/or revoked by the MOCD or the Government of Indonesia. Any revocation or unfavourable amendments to the terms of the licences, failure to renew them on comparable terms or failure to obtain spectrum allocation in a timely manner could have a material adverse effect on MergeCo’s businesses and performance.

6.5 Impairment of investment risk

Pursuant to Malaysian Financial Reporting Standards (“**MFRS**”) 136 or International Accounting Standards 36 – Impairment of Assets, our Group determines at each reporting date whether there is any objective evidence that the equity investment in MergeCo recorded by Axiata might be impaired.

Our Group also assesses the fair value of the identified NA of MergeCo on the date of completion via a Purchase Price Allocation (“**PPA**”) exercise under MFRS/International Financial Reporting Standards (“**IFRS**”) 3 – Business Combinations. MFRS/IFRS 3 allows retrospective adjustments to PPA up to a twelve-month period from the date of completion. Any fair value adjustment to the NA of MergeCo will affect the financial position and results of the Axiata Group.

6.6 Anti-Monopoly legislation risk

The Law of the Republic of Indonesia No. 5 of 1999 on the Prohibition of Monopolistic Practices and Unfair Business Competition as amended by the Job Creation Law (“**Anti-Monopoly Law**”) prohibits a business entity from conducting mergers, consolidations, or acquisitions that may result in monopolistic practices or unfair business competition. From a competition law perspective, a transaction is prohibited if it may substantially lessen competition (due to the parties’ market overlap that creates or increases their market dominance) or may restrict the access of competitors to suppliers or customers (due to the parties’ dominance in their vertically integrated business).

The Anti-Monopoly Law is enforced by the Business Competition Supervisory Commission (Komisi Pengawas Persaingan Usaha or “**KPPU**”) which requires XL to notify the KPPU after the completion of the Proposed Merger. The KPPU will subsequently determine whether the Proposed Merger involves prohibited elements elaborated in the first paragraph above. Axiata anticipates that this risk can be mitigated by proactively engaging the KPPU to obtain their views and approvals required, if any.

7. POLICIES ON FOREIGN INVESTMENT AND REPATRIATION OF PROFITS OF INDONESIA

7.1 Foreign investment

7.1.1 Overview of the Indonesian foreign investment regulatory regime

The Law No. 25 of 2007 on Investment as recently amended by the Job Creation Law (“**Investment Law**”), principally regulates direct investments in Indonesia, in the form of foreign capital investments (*penanaman modal asing*) and domestic capital investment (*penanaman modal dalam negeri*). In Indonesia, a foreign investor has to undertake its investment through an Indonesian legal entity in the form a foreign investment limited liability company.

The Investment Law provides that all types of businesses are open for investment without restriction, except certain sectors which are fully closed to investment or allowed under certain conditions and for certain sectors which can only be carried out by the central Government of Indonesia. Currently, these prohibited and restricted business activities are listed in the Presidential Regulation No. 10 of 2021 on the Investment Business Fields as lastly amended by Presidential Regulation No. 49 of 2021 on the Amendment of Presidential Regulation No. 10 of 2021 on the Investment Business Fields (“**2021 Investment List**”). The types of business which are open for foreign investments are fully open or partly/conditionally open based on a system of permitted ownership limits, reserved sectors and licensing requirements. Significantly, the 2021 Investment List provides that any sector not stated to be closed or partly closed will be fully open for investment without restriction. The list of business sectors on the 2021 Investment List is based on the comprehensive classification of sectors set out in the Head of Central Statistic Bureau Regulation No. 2 of 2020 on the Indonesian Business Sector Classification (*Klasifikasi Baku Lapangan Usaha Indonesia*) drawn up by the Central Statistics Bureau.

The 2021 Investment List and the Investment Law include a general exemption where the foreign ownership restrictions in the list 2021 Investment List do not apply to any indirect or portfolio investment made through the domestic capital market. This means that the exemption will generally apply if the target company is a public company whose shares are listed on the IDX and the investment is made through the IDX system.

7.1.2 Foreign ownership restrictions applicable to MergeCo

The 2021 Investment List does not include fixed telecommunication network and internet service provider business lines, and therefore these business lines should now be 100% open for foreign investment. The 2021 Investment List and Government Regulation No. 52 of 2005 on Broadcasting Operation of Subscription Broadcasting Institution as amended from time to time provide that subscription-based broadcasting and television programming business activities conducted by private entities are subject to (i) 100% domestic capital for establishment and (ii) a maximum of 20% of foreign capital for business expansion or development. Further, telecommunication construction business is subject to 67%-70% maximum foreign ownership restriction and certain qualitative requirements under the Government Regulation No. 5 of 2021 on the Organization of Risk-Based Licensing.

However, pursuant to the Investment Law and the 2021 Investment List, investments in public companies are exempted from the foreign ownership restrictions in the 2021 Investment List, as they are considered as indirect or portfolio investment made through the domestic capital. As MergeCo is a public company, there should be no foreign ownership restriction applied for MergeCo.

7.2 Repatriation of profits

In general, there are no exchange control restrictions in Indonesia that would restrict Indonesian limited liability companies from making any payments of dividends, or other distributions due or made in respect of its issued shares to foreign parties. However, the transfer of foreign currency to and from abroad is subject to reporting obligations to the Central Bank of Indonesia (“CBI”). Furthermore, transfer of IDR to an account outside of Indonesia is prohibited.

Since IDR cannot be transferred outside of Indonesia, transfer of funds from Indonesia to another jurisdiction will require that IDR is first converted into a foreign currency acceptable to the receiving bank, and accordingly the transferor must purchase foreign currency (e.g. United States Dollars (“USD”)) using IDR. Under the Board of Governors Members of CBI No. 11 of 2024 on Foreign Exchange Market Transactions (“**BOG CBI Regulation No. 11/2024**”), any purchase of foreign currency using IDR in Indonesia by any party in an amount exceeding certain thresholds (or its equivalent, per month per transaction participant) (i.e. (a) USD 100,000 for (i) cash purchase, forward purchase, domestic non-deliverables forward (“DNDF”) purchase transactions, and (ii) other transactions apart from forward purchase, DNDF purchase and swap purchase transactions, (b) USD5 million for forward sale, DNDF sale, and swap transactions, and (c) USD1 million for transactions other than forward sale, DNDF sale and swap sale transactions), must be supported by valid underlying and supporting documentation.

A valid underlying transaction for the purposes of BOG CBI regulation No. 11/2024 may consist of: (i) domestic and international trade of goods and services; (ii) current account activities, including primary revenue transactions (e.g. investment income in the form of dividend from direct investment, portfolio investment, and/or other investments); (iii) investment in the form of direct investment, portfolio investment, capital and other investment inside and outside Indonesia; and/or (iv) the granting of loans or financing from banks for trade and investment purposes.

Under CBI Regulation No. 21/15/PBI/2019 on the Supervision of Foreign Exchange Activities between Banks and Customers (“**CBI Regulation No. 21/15/2019**”), any outgoing transfer from Indonesia to another jurisdiction in foreign currencies exceeding USD100,000 (or its equivalent) by any party through an Indonesian bank (save for any transfer of such party’s own bank deposit to its own bank account outside of Indonesia) must be supported by valid underlying and supporting documentation as prescribed in CBI Regulation No. 21/15/2019. Such documentation may include, but not limited to copies of export duty, letter of credit or invoice.

8. EFFECTS OF THE PROPOSED MERGER

8.1 Share capital and substantial shareholders’ shareholding

The Proposed Merger will not have any effect on the share capital of the Company and the shareholding of the substantial shareholders of Axiata as the Proposed Merger does not entail the issuance of new ordinary shares in Axiata (“**Axiata Shares**”).

8.2 NA per Axiata Share and gearing

For illustrative purposes only, based on the latest audited consolidated statements of financial position of the Company as at financial year ended (“**FYE**”) on 31 December 2023 and on the assumption that the Proposed Merger has been effected on that date, the pro forma effects⁽¹⁾ of the Proposed Merger on the NA per Axiata Share and gearing of the Axiata Group are as follows:

	Audited as at 31 December 2023	(2)After the Proposed Business Combination	(3)After the Proposed Equalisation/ Proposed Merger
	RM'000	RM'000	RM'000
Share capital	13,920,649	13,920,649	13,920,649
Reserves	8,143,492	8,398,428	9,097,765
Total equity attributable to owners of the Company	22,064,141	22,319,077	23,018,414
Non-controlling interests	6,171,169	9,467,786	4,217,393
Total equity	28,235,310	31,786,863	27,235,807
No. of Axiata Shares in issue ('000)	9,179,085	9,179,085	9,179,085
NA per Axiata Share (RM) ⁽⁴⁾	2.40	2.43	2.51
Total interest-bearing borrowings (including lease liabilities) (RM'000) ⁽⁵⁾	36,944,157	44,192,186	23,418,141
Gearing (times) ⁽⁶⁾	1.31	1.39	0.86

Notes:

- (1) The proforma effects have been arrived at using the exchange rate of IDR100:RM0.0298 and USD1:RM4.5900, being the middle rate prevailing at 5.00 p.m. as at 31 December 2023 as published by BNM and assuming there are no share buybacks in relation to the share buyback arrangements pursuant to the Proposed Business Combination as detailed in Section 2.11 and **Appendix I** of this Announcement.
- (2) The fair value of the total assets acquired and liabilities assumed pursuant to the Proposed Business Combination is estimated to be equivalent to the Combination Consideration of approximately RM3,551.6 million (IDR11,917.9 billion as disclosed in Section 2(i) of this Announcement), and the Group's equity interest in XL is diluted from 66.53% to 47.94% while maintaining control of XL.
- (3) Assuming the Proposed Merger had been effected on 31 December 2023, the pro forma net gain of approximately RM444.6 million arising from the Proposed Merger, which is included in the reserves, is computed below:

	RM'000
Equalisation Consideration	(a)2,180,250
Fair value of retained interest in MergeCo	(b)5,776,167
Total	7,956,417
Less: Carrying amount of NA of MergeCo as at 31 December 2023, after the Proposed Business Combination	(7,179,046)
Foreign exchange reserves	(254,771)
Estimated expenses relating to the Proposed Merger	(c)(78,030)
Pro forma net gain from the Proposed Merger	444,570

- (a) Equalisation Consideration of approximately up to RM2,180.3 million (USD475.0 million as disclosed in Section 2(ii) of this Announcement), being approximately RM0.9147 or IDR3,070 per MergeCo Share.
- (b) Comprising 6,313,716,868 MergeCo Shares at the price of approximately RM0.9147 (equivalent to approximately IDR3,070 as disclosed in Section 8.2 Note 3(a) above) per MergeCo Share, amounting to RM5,776.2 million.
- (c) Estimated transaction costs of USD17.0 million (equivalent to approximately RM78.0 million).

- (4) Computed based on total equity attributable to owners of Axiata divided by total number of Axiata Shares in issue.
- (5) The Proposed Equalisation will result in the deconsolidation of:
- (i) XL Group's interest-bearing borrowings (including lease liabilities) of RM13,526.0 million; and
- (ii) Smartfren Group's interest-bearing borrowings (including lease liabilities) of RM7,248.0 million.
- (6) Computed based on total interest-bearing borrowings (including lease liabilities) divided by total equity.

The pro forma effect of the Proposed Merger on the Axiata Group's NA and gearing do not take into account the Business Transfer Agreement entered into between XL and PT Link Net Tbk ("**Link Net**") on 22 May 2024, to acquire all rights and interests in Link Net's Business to Customer segment, which serves residential customers. The Business Transfer Agreement was completed on 27 September 2024 upon fulfillment of the conditions precedent.

8.3 Earnings and earnings per Axiata Share ("EPS")

For illustrative purposes only, based on the latest audited consolidated financial statements of the Company for the FYE 31 December 2023 and assuming that the Proposed Merger had been affected on 1 January 2023, being the beginning of the FYE 31 December 2023, the pro forma effects⁽¹⁾ of the Proposed Merger on the basic EPS of the Axiata Group are as follows:

	RM'000
Audited consolidated loss after tax and minority interests (" LATAMI ") of Axiata for the FYE 31 December 2023	(1,994,800)
Add: Pro forma net gain from the Proposed Merger ⁽²⁾	293,535
Axiata's share of profit of MergeCo based on 34.80% shareholding in MergeCo ⁽³⁾	123,775
Less: Deconsolidation of XL Group's results ⁽⁴⁾	(258,432)
Pro forma consolidated LATAMI of Axiata	(1,835,922)
Weighted average number of Axiata Shares in issue ('000)	9,178,671
<u>Basic EPS⁽⁵⁾</u>	
• Based on the audited consolidated LATAMI of Axiata for the FYE 31 December 2023 (sen)	(21.7)
• Based on the pro forma consolidated LATAMI of Axiata after the Proposed Merger (sen)	(20.0)

Notes:

- (1) Save for the pro forma net gain from the Proposed Merger, the pro forma effects have been arrived at using the exchange rate of IDR100:RM0.0299, being the average middle rate prevailing at 5.00 p.m. for the financial year ended 31 December 2023 as published by BNM and assuming there are no share buybacks in relation to the share buyback arrangements pursuant to the Proposed Business Combination as detailed in Section 2.11 and **Appendix I** of this Announcement.
- (2) Assuming the Proposed Merger had been effected on 1 January 2023, the pro forma net gain^(a) of approximately RM293.5 million arising from the Proposed Merger is computed below:

	<u>RM'000</u>
Equalisation Consideration	(b)2,085,250
Fair value of retained interest in MergeCo	(c)5,523,012
Total	7,608,262
Less: Carrying amount of NA of MergeCo as at 1 January 2023, after the Proposed Business Combination	(6,782,975)
Foreign exchange reserves	(457,122)
Estimated expenses relating to the Proposed Merger	(d)(74,630)
Pro forma net gain from the Proposed Merger	293,535

- (a) The pro forma net gain from the Proposed Merger has been arrived at using the exchange rate of IDR100:RM0.0282 and USD1:RM4.3900, being the middle rate prevailing at 5.00 p.m. as at 31 December 2022 as published by BNM.
- (b) Equalisation Consideration of approximately up to RM2,085.3 million (USD475.0 million as disclosed in Section 2(ii) of this Announcement), being approximately RM0.8749 or IDR3,102 per MergeCo Share..
- (c) Comprising 6,313,716,868 MergeCo Shares at the price of RM0.8749 (equivalent to approximately IDR3,102 as disclosed in Section 8.3 Note 2(b) above) per MergeCo Share amounting to RM5,523.0 million.
- (d) Estimated transaction costs of USD17.0 million (equivalent to approximately RM74.6 million).
- (3) Based on the audited consolidated LATAMI of Smartfren for the FYE 31 December 2023 and the audited consolidated profit after tax and minority interests ("PATAMI") of XL for the FYE 31 December 2023 deconsolidated by Axiata without taking into account any alignment to the Group's accounting policies, consolidation elimination adjustments on transactions entered into between Smartfren Group and XL Group.
- (4) Upon completion of the Proposed Merger, Axiata will deconsolidate XL following the cease of control.
- (5) Computed based on the relevant LATAMI divided by the weighted average number of Axiata Shares in issue during the FYE 31 December 2023.

The pro forma effect of the Proposed Merger on the Axiata Group's earnings does not take into account:

- (i) the interest income and effects arising from the use of proceeds raised from the Proposed Equalisation which is expected to contribute positively to the financial results of the Axiata Group when the benefits of such utilisation are realised; and
- (ii) the Business Transfer Agreement entered between XL and Link Net on 22 May 2024, to acquire all rights and interests in Link Net's Business to Customer segment, which serves residential customers. The Business Transfer Agreement was completed on 27 September 2024 upon fulfillment of the conditions precedent.

9. APPROVALS / CONSENTS REQUIRED

The Proposed Merger is subject to the following being obtained:

- (i) approval of the shareholders of Axiata for the Proposed Merger at an EGM to be convened;
- (ii) approval by the shareholders of ST at an EGM of ST;
- (iii) approval by the shareholders of Smartfren at an EGM of Smartfren;
- (iv) approval by the shareholders of XL at an EGM of XL;

- (v) approval from BNM under Notice 3 (Investment in Foreign Currency Assets) of the Foreign Exchange Notices issued by BNM for the remittance of cash amounts out of Malaysia by All to implement the share buyback arrangement pursuant to the Proposed Business Combination;
- (vi) issuance of an effective statement (*pernyataan efektif*) by OJK on the Merger Plan (as defined in Appendix I of this Announcement);
- (vii) approval in-principle from IDX on the listing of the Consideration Shares on the IDX (subject to notice of issuance);
- (viii) approval (including any approval in-principle if applicable) from the Ministry of Communications and Digital of the Republic of Indonesia for the Proposed Business Combination and transfer, continuation or reissuance (as the case may be) of all spectrum assignments and licences held by Smartfren and ST to XL; and
- (ix) approval or consents of any other regulatory authorities or parties, as required.

The Proposed Equalisation is conditional upon the completion of the Proposed Business Combination but the Proposed Business Combination is not conditional upon the completion of the Proposed Equalisation.

The Proposed Merger is not conditional upon any other corporate exercise/scheme of the Company.

10. INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders of Axiata and/or persons connected with them has any interest, direct or indirect, in the Proposed Merger.

11. PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Merger pursuant to Paragraph 10.02(g) of the Listing Requirements is approximately 50.4%, calculated based on the pro forma total assets of XL and Smartfren compared with the total assets of the Axiata Group as at 31 December 2023.

12. DIRECTORS' STATEMENT / RECOMMENDATION

The Board, having considered all aspects of the Proposed Merger including the salient terms of the Transaction Agreements, basis of and justification for the Combination Consideration, Issue Price and Equalisation Consideration, rationale and benefits, effects and risks of the Proposed Merger, prospects of MergeCo, is of the opinion that the Proposed Merger is in the best interest of the Company.

13. ESTIMATED TIME FRAME FOR COMPLETION

The relevant applications to the relevant authorities in relation to the Proposed Merger are expected to be made within a period of 6 months from the date of this Announcement.

Barring unforeseen circumstances, the Proposed Merger is expected to be completed by the second quarter of 2025.

14. ADVISER

Maybank IB has been appointed as Principal Adviser to the Company for the Proposed Merger.

DB Corporate Advisory (Malaysia) Sdn. Bhd. has been appointed as Exclusive Financial Adviser to the Company for the Proposed Merger.

15. DOCUMENTS AVAILABLE FOR INSPECTION

The Transaction Agreements will be available for inspection at the registered office of the Company at Level 30, Axiata Tower, 9 Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur during normal business hours from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this Announcement.

This Announcement is dated 11 December 2024.

SALIENT TERMS OF THE CMA

(Unless already previously defined in this Announcement, all capitalised terms found in this Appendix I shall have the same meanings as defined in this Appendix.)

1. Merger

- 1.1 At the issuance of the Ministry of Law of the Republic of Indonesia approval in relation to the merger of the businesses of Smartfren and XL by way of a statutory merger of Smartfren, its subsidiary ST and XL, in accordance with Indonesian law ("**Merger**") ("**Merger Closing**"), subject to the terms and conditions of the CMA:
- (a) Smartfren, ST and XL shall merge pursuant to the Law No. 40 of 2007 and OJK Rule No. 74/POJK.04/2016 on the Merger or Consolidation of Public Companies;
 - (b) each of Smartfren and ST will be dissolved by applicable laws and XL shall continue as the surviving entity of the Merger;
 - (c) all of the assets, liabilities, obligations, rights, benefits, undertakings and businesses of each of Smartfren and ST as at the time of Merger Closing (the "**Transferred Assets and Liabilities**") shall be transferred to XL in their entirety and XL shall assume all the rights and benefits and be subject to all of the obligations and liabilities of each of Smartfren and ST which comprise the Transferred Assets and Liabilities; and
 - (d) XL as the surviving entity shall maintain its existence as a public limited liability company and shall continue under the name of "PT XLSmart Telecom Sejahtera Tbk".
- 1.2 The new MergeCo shares issued to PT Wahana Inti Nusantara ("**WIN**"), PT Global Nusa Data ("**GND**"), PT Bali Media Telekomunikasi ("**BMT**") and PT Gerbangmas Tunggal Sejahtera ("**GTS**") (where WIN, GND, BMT and GTS shall collectively be referred to as the "**Sinar Mas Shareholders**"), the Smartfren Minority Shareholders, PT Industri Telekomunikasi Indonesia (Persero) ("**ST Minority Shareholder**") and the Buyback Purchasers (as defined in paragraph 2.1 below) at Merger Closing pursuant to the CMA shall be issued free from all encumbrances and together with all rights attaching to them as at the issuance date.

2. Merger Exchange Ratio

- 2.1 On the basis of the agreed merger exchange ratio, MergeCo shall issue at Merger Closing an aggregate of 5,071,431,786 ordinary shares in MergeCo ("**New MergeCo Shares**") (representing as of the date of the CMA twenty-seven point nine five per cent (27.95%) of the total issued and paid-up capital of MergeCo at Merger Closing) to:
- (a) the Sinar Mas Shareholders (solely with respect to any Smartfren shares held by them immediately prior to Merger Closing that have not been tendered for repurchase pursuant to the Buyback (as defined in paragraph 4.1(b) below) and excluding any Smartfren shares referred to in paragraph 2.1(c) below);
 - (b) any persons who hold shares in Smartfren immediately prior to the Merger Closing including any Smartfren warrant holders who have exercised the Smartfren warrants at or prior to the Merger Closing (other than the Sinar Mas Shareholders or their respective affiliates) ("**Smartfren Minority Shareholders**") (solely with respect to any Smartfren shares held by them immediately prior to Merger Closing that have not been tendered for repurchase pursuant to the Buyback);
 - (c) each Buyback Purchasers (solely with respect to any Smartfren shares that (i) have been tendered for repurchase by any dissenting shareholders of Smartfren and (ii) which such Buyback Purchaser is obligated to purchase pursuant to the Buyback);

SALIENT TERMS OF THE CMA (Cont'd)

- (d) the ST Minority Shareholder solely with respect to any ST shares held by it immediately prior to Merger Closing that has not been tendered for repurchase pursuant to a buyback at a buyback price of IDR11.128 per share (“**ST Buyback**”) as per the Merger Plan; and
- (e) XL (solely with respect to any ST shares that (i) have been tendered for repurchase and (ii) which XL is obligated to purchase pursuant to the ST Buyback).

“**Buyback Purchasers**” means, in connection with the XL Buyback (as defined in paragraph 4.1(a) below) and if applicable, the Shareholders Buyback (as defined in paragraph 4.1(b) below), the purchasers of the shares in Smartfren and the shares in XL, in each case pursuant to the CMA, being (i) XL and if applicable, (ii) All and the Sinar Mas Shareholders or such other person(s) as agreed in writing between All and the Sinar Mas Shareholders.

3. Conditions precedent

3.1 Subject to the terms of the CMA:

- (a) each party (in the case of Smartfren, other than the BNM Approval Condition) shall use its reasonable endeavours to cause the following conditions to be fulfilled prior to the Longstop Date (as defined below):
 - (i) the OJK having issued an effective statement (*pernyataan efektif*) on the Merger Plan (as defined in paragraph 4.2(a) below);
 - (ii) the IDX having issued its in-principle approval to XL on the listing of the New MergeCo Shares on the IDX;
 - (iii) the Ministry of Communications and Digital of the Republic of Indonesia (“**MOCD**”) having issued its approval (including any in-principle approval if applicable) for the: (i) Merger; and (ii) transfer, continuation or reissuance (as the case may be) of all spectrum assignments and licenses held by Smartfren and ST to XL; and
 - (iv) the approval from BNM under Notice 3 (Investment in Foreign Currency Assets) of the Foreign Exchange Notices issued by BNM for the remittance of cash amounts out of Malaysia by All to implement the Buyback (“**BNM Approval Condition**”).
- (b) each of Smartfren, ST and the Sinar Mas Shareholders shall, use its reasonable endeavours to cause the following conditions to be fulfilled prior to the Longstop Date:
 - (i) approval of the Merger by the shareholders of ST at an extraordinary general meeting of shareholders (“**GMS**”) of ST.
 - (ii) approval of the Merger by the shareholders of Smartfren at an extraordinary GMS of Smartfren.
 - (iii) issuance of the announcement of the abridged Merger Plan and issuance of the announcement being made to creditors and employees of the Smartfren and ST) pursuant to the Law No. 40 of 2007 (“**Company Law**”).
 - (iv) ST delivering a confirmation letter to the XL Parties¹ in respect of its own creditors confirming either that: (i) no objections have been raised by ST’s creditors within the applicable creditor objection period; or (ii) all objections raised by ST’s creditors within the creditor objection period have been appropriately resolved or settled in accordance with Article 127 of the Company Law on or before the date that the OJK issues an effective statement (*pernyataan efektif*) on the Merger Plan.

¹ “**XL Party**” means each of All and XL and “**XL Parties**” shall be construed accordingly.

SALIENT TERMS OF THE CMA (Cont'd)

- (v) Smartfren delivering a confirmation letter to the XL Parties in respect of its own creditors confirming either that: (i) no objections have been raised by Smartfren's creditors within the applicable creditor objection period; or (ii) all objections raised by either or both of Smartfren's creditors within the creditor objection period have been appropriately resolved or settled in accordance with Article 127 of the Company Law on or before the date that the OJK issues an effective statement (*pernyataan efektif*) on the Merger Plan.
 - (vi) the lenders under the syndicated facility agreement between the lenders and Smartfren and ST (as borrowers) having consented in writing to the Merger.
 - (vii) MOCD having renewed Smartfren's 2.3 GHz spectrum license for a minimum term of ten (10) years and all outstanding payments owed to the MOCD at or prior to Merger Closing in connection with such license or such renewal have been fully paid.
- (c) each of XL and All shall use its reasonable endeavours to cause the following conditions to be fulfilled prior to the Longstop Date:
- (i) approval of the transactions contemplated by the CMA by the shareholders of Axiata Group Berhad ("**AGB**") in a general meeting of AGB shareholders.
 - (ii) in respect of the outstanding USD727,892,000 3.064 per cent Guaranteed Notes due 19 August 2050 issued by Axiata SPV5 (Labuan) Limited, the noteholders pass an extraordinary resolution amending and/or waiving the relevant condition.
 - (iii) in respect of the outstanding USD500,000,000 4.357 per cent Sukuk due 24 March 2026 issued by Axiata SPV2 Berhad, the Sukukholders pass an extraordinary resolution amending and/or waiving the relevant condition.
 - (iv) in respect of the outstanding USD500,000,000 2.163 per cent Sukuk due 19 August 2030 issued by Axiata SPV2 Berhad, the Sukukholders pass an extraordinary resolution amending and/or waiving the relevant condition.
 - (v) In respect of the multi-currency term loan facilities of up to USD1,300,000,000 equivalent granted by United Overseas Bank Limited, Labuan Branch, DBS Bank Ltd., Labuan Branch and CIMB Bank Berhad (collectively, the "**Original Lenders**") to AGB, the written consent, waiver and/or amendment from the relevant Original Lenders in relation to the transaction.
 - (vi) approval of the Merger by the shareholders of XL at an extraordinary GMS of XL.
 - (vii) issuance of the announcement of the abridged Merger Plan and issuance of the announcement being made to creditors and employees of the XL pursuant to the Company Law.
 - (viii) XL delivering a confirmation letter to the Smartfren Parties² in respect of its own creditors confirming either that: (i) no objections have been raised by XL's creditors within the applicable creditor objection period; or (ii) all objections raised by XL's creditors within the creditor objection period have been appropriately resolved or settled in accordance with Article 127 of the Company Law on or before the date that the OJK issues an effective statement (*pernyataan efektif*) on the Merger Plan.

² "**Smartfren Party**" means each of the Sinar Mas Shareholders, Smartfren and ST and "**Smartfren Parties**" shall be construed accordingly.

SALIENT TERMS OF THE CMA (Cont'd)

- (ix) the holders of bonds and sukuk issued by XL under the following programmes having consented in writing to the Merger: (i) Phase II of 2017 of XL Axiata Ijarah Sukuk Shelf Offering II; (ii) Phase I of 2018 of XL Axiata Bond Shelf Offering I; (iii) Phase I of 2018 of XL Axiata Ijarah Sukuk Shelf Offering II; (iv) Phase II of 2019 of XL Axiata Bond Shelf Offering I; (v) Phase II of 2019 of XL Axiata Ijarah Sukuk Shelf Offering II; (vi) Phase I of 2022 of XL Axiata Bond Shelf Offering II; (vii) Phase I of 2022 of XL Axiata Ijarah Sukuk Shelf Offering III.
- (x) the BNM Approval Condition.

“Longstop Date” means the date that is six (6) months from the date of the CMA provided that if at such date, any of the Conditions remain unsatisfied and has not been waived, such date shall be extended by an additional three (3) months unless a party has notified the other parties of its objection to such extension on or before the third business day prior to the expiry of such original six (6) month period.

4. Share Buyback Arrangements

4.1 In connection with: (i) any eligible dissenting shareholders of Smartfren who have elected to tender their shares in Smartfren for repurchase during the relevant buyback period (**“Smartfren Electing Dissenting Shareholders”**); and (ii) any eligible dissenting shareholders of XL who have elected to tender their shares in XL for repurchase during the relevant buyback period, in each case pursuant to the OJK Buyback Regulations (**“XL Electing Dissenting Shareholders”**, and such dissenting shareholders of Smartfren and dissenting shareholders of XL being the **“Electing Dissenting Shareholders”**), the parties acknowledge and agree that promptly following Merger Closing:

- (a) XL shall purchase the shares in Smartfren and the shares in XL, in each case tendered by the Electing Dissenting Shareholders (the **“XL Buyback”**) provided that:
 - (i) the aggregate number of shares in Smartfren and shares in XL that XL is required to purchase in the XL Buyback shall not exceed such number of shares with respect to which the aggregate consideration payable in the XL Buyback is the product of (x) ten per cent (10%) of the total number of shares of XL as of the GMS date and (y) the fair value per share in XL, being IDR2,350 per XL Share (the **“XL Buyback Cap”**); and
 - (ii) XL shall purchase shares in XL tendered by the XL Electing Dissenting Shareholders prior to purchasing any shares in Smartfren tendered by Smartfren Electing Dissenting Shareholders under the XL Buyback unless otherwise agreed in writing by the parties, and subject always to XL’s compliance with its obligations under applicable Law; and
- (b) if the number of shares in Smartfren and shares in XL tendered by the Electing Dissenting Shareholders exceeds the XL Buyback Cap, then in relation to such excess shares, All (on the one hand) and the Sinar Mas Shareholders (on the other hand) shall purchase in equal portions such excess shares held by such Electing Dissenting Shareholders, provided that each of All (on the one hand) and the Sinar Mas Shareholders may agree in writing to designate another entity or entities to acquire such excess shares on its behalf (the **“Shareholders Buyback”**, together with the XL Buyback, the **“Buyback”**).

4.2 The parties acknowledge and agree that:

- (a) the price of the XL Buyback and (if applicable) the Shareholders Buyback shall be: (i) IDR25 per share in Smartfren; and (ii) IDR2,350 per share in XL, as set out in the merger plan between XL, ST and Smartfren (**“Merger Plan”**) payable in cash;
- (b) the cash consideration shall only be payable by the relevant Buyback Purchaser following the completion of the relevant Buyback and the Merger Closing in accordance with the Merger Plan (as approved by the OJK);

SALIENT TERMS OF THE CMA (Cont'd)

- (c) each of the Buyback Purchasers shall be allocated New MergeCo Shares to be issued at Merger Closing pursuant to the Merger; provided that any such New MergeCo Shares to be issued and received by MergeCo shall be recorded as treasury shares immediately following such issuance; and
- (d) notwithstanding the XL Buyback and (if applicable) the Shareholders Buyback, in no circumstances shall the total aggregate number of New MergeCo Shares to be issued pursuant to or in connection with the Merger exceed 5,071,431,786.

5. Termination

5.1 The Smartfren Parties jointly or the XL Parties jointly may terminate the CMA at any time prior to the Merger Closing if:

- (a) a material adverse change occurs in respect of:
 - (i) in the case of the Smartfren Parties proposing to terminate the CMA, the XL group; and
 - (ii) in the case of the XL Parties proposing to terminate the CMA, the Smartfren group,
- (b) in the case of the Smartfren Parties seeking to terminate the CMA:
 - (i) there has been a material breach of any of XL's fundamental warranties or any event or circumstance subsists or occurs at any time after the date of the CMA that would render untrue or inaccurate in any material respect any of the XL fundamental warranties if that XL fundamental warranty was repeated immediately prior to Merger Closing by reference to the facts and circumstances then existing; and
 - (ii) such breach or event or circumstance has not been remedied by the XL Parties before the earlier of: (A) the expiry of the period of thirty (30) days after the XL Parties receives written notice of such breach from the Smartfren Parties; and (B) the Merger Closing;
- (c) in the case of the XL Parties seeking to terminate the CMA:
 - (i) there has been a material breach of any of Smartfren's fundamental warranties or any event or circumstance subsists or occurs at any time after the date of the CMA that would render untrue or inaccurate in any material respect any of the Smartfren's fundamental warranties if that Smartfren's fundamental warranty was repeated immediately prior to Merger Closing by reference to the facts and circumstances then existing; and
 - (ii) such breach or event or circumstance shall not have been remedied by the Smartfren Parties before the earlier of: (A) the expiry of the period of thirty (30) days after the Smartfren Parties receives written notice of such breach from the XL Parties; and (B) the Merger Closing.

6. Komisi Pengawas Persaingan Usaha ("KPPU") notification

MergeCo shall, and the Sinar Mas Shareholders and All shall procure that MergeCo shall, use their respective reasonable endeavours to procure that a post-closing notification is filed with the KPPU as soon as reasonably practicable after Merger Closing, to obtain clearance for the Merger.

7. Governing law

The CMA and any non-contractual obligations arising out of or in connection with the CMA shall be governed by, and interpreted in accordance with, English law.

SALIENT TERMS OF THE CMA *(Cont'd)*

8. Arbitration

Any dispute shall be referred to and finally settled by arbitration by the Singapore International Arbitration Centre in accordance with the Arbitration Rules of the Singapore International Arbitration Centre.

SALIENT TERMS OF THE SD

(Unless already previously defined in this Announcement, all capitalised terms found in this Appendix II shall have the same meanings as defined in this Appendix.)

1. Smartfren- XL Merger

In connection with the Merger, the Sinar Mas Shareholders, All, SMT and Axiata have entered into the SD to induce the parties to enter into the CMA and agree to vote in favour of the Merger (as defined in Appendix I above).

2. No Leakage undertaking

2.1 Subject to paragraph 2.3 below and other provisions in the SD, each Sinar Mas Shareholder jointly and severally undertakes, in respect of itself and each other Sinar Mas Shareholder to All that if: (a) there has been any leakage in respect of Smartfren (“**Smartfren Leakage**”) in the period from (but excluding) 30 September 2024 (“**Locked Box Date**”) through the date of the SD; or (b) there is any Smartfren Leakage in the agreed interim period, then such Sinar Mas Shareholder shall, following Merger Closing, pay or cause payment in cash to be made to All of: (i) an amount equal to such Smartfren Leakage; and (ii) (in the case of certain identified Smartfren Leakage only) the Leakage Uplift (defined to mean an amount equal to ten per cent (10)% of such leakage) on such Smartfren Leakage.

2.2 Subject to paragraph 2.4 below and other provisions in the SD, All undertakes to the Sinar Mas Shareholders that if: (a) there has been any leakage in respect of XL (“**XL Leakage**”) in the period from (but excluding) the Locked Box Date through the date of the SD; or (b) there is any XL Leakage in the agreed interim period, then All shall, following Merger Closing, pay or cause payment in cash to be made to the Sinar Mas Shareholders of: (i) an amount equal to such XL Leakage; and (ii) (in the case of certain identified XL Leakage) the Leakage Uplift on such XL Leakage.

2.3 The liability of each of the Sinar Mas Shareholders pursuant to paragraph 2.1 shall terminate on the date falling twelve (12) months after Merger Closing unless, prior to that date, All has notified the Sinar Mas Shareholders in writing of a Smartfren Leakage, setting out to the extent reasonably known to All the amount and reasonable details of the relevant Smartfren Leakage together with reasonable evidence thereof.

2.4 The liability of All pursuant to paragraph 2.2 shall terminate on the date falling twelve (12) months after Merger Closing unless prior to that date the Sinar Mas Shareholders have notified All in writing of a XL Leakage, setting out to the extent reasonably known to the Sinar Mas Shareholders the amount and reasonable details of the relevant XL Leakage together with reasonable evidence thereof.

3. Equalisation post-Merger (and following exercise of warrants in Smartfren)

If, immediately following the Equalisation Completion, the Sinar Mas Shareholders collectively hold less than the number of shares in MergeCo held by All, the Sinar Mas Shareholders shall promptly purchase additional MergeCo shares on the market within 15 Business Days following the Merger Closing such that the Sinar Mas Shareholders collectively hold shares in MergeCo equal to the number of shares in MergeCo held by All.

4. Termination

All or the Sinar Mas Shareholders (shall be entitled to terminate the SD at any time prior to Merger Closing if the CMA terminates in accordance with its terms.

5. Governing Law

The SD and any non-contractual obligations arising out of or in connection with the SD shall be governed by and interpreted in accordance with English law.

SALIENT TERMS OF THE SD (CONT'D)

6. Arbitration

- 6.1 Any dispute shall be referred to and finally settled by arbitration by the Singapore International Arbitration Centre in accordance with the Arbitration Rules of the Singapore International Arbitration Centre.

SALIENT TERMS OF THE CSPA

(Unless already previously defined in this Announcement, all capitalised terms found in this Appendix III shall have the same meanings as defined in this Appendix.)

The salient terms of the CSPA are as follows:

1. Sale of shares in MergeCo

1.1. Immediately following the Merger Closing, at the Equalisation Completion, All shall sell, and BMT shall purchase, for the consideration, 2,383,446,894 ordinary shares in MergeCo (the “**Sale Shares**”):

- (a) free from all encumbrances; and
- (b) together with all rights attaching thereto from the Equalisation Completion, including the right to receive all distributions and dividends declared, paid or made in respect of the Sale Shares from Equalisation Completion,

on and subject to the terms and conditions set out in the CSPA.

2. Consideration

2.1. The consideration for the Sale Shares shall be:

- (c) an amount equal to USD400,000,000 (the “**Completion Amount**”), to be paid by BMT to All at Equalisation Completion pursuant to terms of the CSPA; and
- (d) an amount equal to USD75,000,000 (the “**Deferred Consideration**”), to be paid by BMT to All on the first anniversary of the completion of Proposed Equalisation if the condition for payment of the Deferred Consideration are satisfied (“**Equalisation Completion**”).

The Deferred Consideration Conditions primarily will require All to provide certain support, expertise and knowhow under the terms of the CSPA, post Equalisation Completion.

3. Equalisation Completion

3.1. Equalisation Completion shall be conditional on all the CMA conditions having been satisfied or waived in accordance with the terms and conditions of the CMA and Merger Closing having occurred pursuant to the CMA.

3.2. Subject to Merger Closing occurring, Equalisation Completion shall take place on the same date as Merger Closing or on such other date as the parties may agree in writing.

3.3. If Equalisation Completion does not occur because All (on the one hand) or BMT (on the other hand) fails to perform any of its obligations which are to be performed at Equalisation Completion (such party being a “**Defaulting Party**”), Equalisation Completion shall be deferred to another Business Day within ten (10) business days of the original Equalisation Completion date, as notified to the Defaulting Party by the party which is not in default (such party being a “**Non-Defaulting Party**”).

3.4. In accordance with paragraph 3.3 above, Equalisation Completion is deferred and at such deferred Equalisation Completion, either All (on the one hand) or BMT (on the other hand) fails to perform any of its obligations which are to be performed at Equalisation Completion, without prejudice to any other rights and remedies of the Non-Defaulting party under the CSPA, the Non-Defaulting Party may:

- (a) defer Equalisation Completion a second time to another business day within ten (10) business days of the originally deferred Equalisation Completion;

SALIENT TERMS OF THE CSPA (Cont'd)

- (b) proceed to Equalisation Completion as far as practicable (but without prejudice to the Defaulting Party's obligations which have not as yet been fulfilled);
 - (c) seek specific performance of the Defaulting Party's outstanding obligations.
- 3.5. It is agreed between the parties that once Merger Closing has occurred, neither party shall be entitled to terminate the CSPA.

4. Termination

All or BMT shall be entitled to terminate the CSPA at any time prior to Equalisation Completion if the CMA terminates in accordance with its terms.

5. Governing Law

The CSPA and any non-contractual obligations arising out of or in connection with the CSPA shall be governed by, and interpreted in accordance with English law.

6. Arbitration

Any dispute shall be referred to and finally settled by arbitration by the Singapore International Arbitration Centre in accordance with the Arbitration Rules of the Singapore International Arbitration Centre.

SALIENT TERMS OF THE SHA

(Unless already previously defined in this Announcement, all capitalised terms found in this Appendix III shall have the same meanings as defined in this Appendix.)

1. Parties to the SHA

1.1 The SHA is to be entered into among All, Axiata, WIN, GND, BMT, GTS and SMT.

“**Shareholder Parties**” means together, Axiata and Sinar Mas, and “**Shareholder Party**” means any of them; and “**Shareholder Guarantor**” shall mean (a) in respect of All, Axiata; and (b) in respect of Sinar Mas, SMT, and together, the “**Shareholder Guarantors**”. The Shareholder Parties, the Shareholder Guarantors and any other party who becomes a party to this Agreement from time to time, each a “**Party**”, and collectively the “**Parties**”).

1.2 The Parties wish to establish their respective rights and obligations with respect to the activities and governance of MergeCo and its subsidiaries and ownership and disposition of MergeCo’s securities.

2. Effectiveness

2.1 Other than certain provisions which take effect on the date of the SHA, all other terms of the SHA shall take effect on and from, and have no force or effect until, the Merger Closing.

2.2 If the Equalisation Completion does not occur and the CSPA is terminated in accordance with its terms, the SHA shall immediately terminate.

3. Governance Matters

3.1 *Composition and size of the Board of Commissioners (“**BOC**”).* Each Shareholder Party shall procure that the BOC shall consist of up to nine (9) commissioners (including the President Commissioner) and each of All and Sinar Mas shall have the right to nominate commissioners under the SHA.

3.2 *Composition and size of the Board of Directors (“**BOD**”).* Each Shareholder Party shall procure that the BOD shall consist of up to ten (10) Directors (including the President Director) and each of All and Sinar Mas shall have the right to nominate directors under the SHA.

3.3 *President Director.* The CEO shall be the President Director and the President Director shall not have an additional or casting vote in respect of any BOD matters.

3.4 *Reserved Matters.* The SHA contains provisions that no consideration, action or decision relating to certain matters shall be taken with respect to any group company without the approval of the board of commissioners and the major shareholders.

4. Standstill and Other Transfer Restrictions

The SHA contains provisions relating to standstill restrictions whereby each Shareholder Party hereby agrees that for a period of two (2) years on and from effective date (the “**Standstill Period**”), such Shareholder Party shall not, and shall cause each of its affiliates and its representatives not to, directly or indirectly, acting alone or in concert with others, except with the prior written consent of the other Shareholder Party and subject to the permitted acquisitions as set out in the SHA, amongst others, acquire or subscribe for, or agree or offer to acquire or subscribe for, any equity securities, any direct or indirect rights or options to acquire any equity securities or any forward contract, swap or other position with a value substantially derived from the equity securities and enter into any agreements or binding arrangements with any third party with respect to the foregoing.

SALIENT TERMS OF THE SHA *(Cont'd)*

5. Governing Law

The SHA and any non-contractual obligations arising out of or in connection with the SHA, is governed by and shall be construed in accordance with English law.

6. Arbitration

Any dispute shall be referred to and finally settled by arbitration by the Singapore International Arbitration Centre in accordance with the Arbitration Rules of the Singapore International Arbitration Centre.

INFORMATION ON XL

1. SUMMARY CONSOLIDATED FINANCIAL INFORMATION ON XL

A summary of the consolidated financial information of XL Group based on its audited consolidated financial statements for the past three (3) FYEs 31 December 2021, 2022 and 2023 as well as the audited interim consolidated financial statements of the XL Group for the nine (9)-month FPE 30 September 2023 and FPE 30 September 2024 is as follows:

	FYE 31 December						FPE 30 September			
	2021		2022 [^]		2023 [^]		2023		2024	
	IDR billion	RM million*	IDR billion	RM million*	IDR billion	RM million*	IDR billion	RM million*	IDR billion	RM million*
Revenue	26,754.1	7,758.7	29,142.0	8,626.0	32,322.7	9,664.5	[^] 23,867.8	7,136.5	25,361.4	7,405.5
Profit before tax ("PBT")	1,707.5	495.2	1,346.0	398.4	1,690.4	505.4	[^] 1,239.9	370.7	1,753.9	512.1
PATAMI	1,287.8	373.5	1,102.4	326.3	1,257.0	375.8	[^] 1,000.0	299.0	1,316.7	384.5
NA attributable to owners of the company	20,088.7	5,886.0	25,622.5	7,225.6	26,325.6	7,845.0	[^] 26,621.1	8,092.8	25,551.0	6,949.9
Total equity	20,088.7	5,886.0	25,753.6	7,262.5	26,470.0	7,888.1	[^] 26,760.2	8,135.1	25,702.6	6,991.1
Total interest- bearing borrowings (including lease liabilities)	35,648.6	10,445.1	43,959.7	12,396.7	45,918.0	13,683.6	44,141.6	13,419.1	46,643.8	12,687.1
Gearing (times) ⁽¹⁾		1.77		1.71		1.73		1.65		1.81

Notes:

[^] Restatement due to impact of the adoption of Pernyataan Standar Akuntansi Keuangan 338 (PSAK 338) "Business Combination of Entities Under Common Control"

* Converted based on the following exchange rates as published on BNM's website:

FYE/FPE	Income and expenses using the average middle rate prevailing at 5.00 p.m. for the FYE/FPE	Assets and liabilities using the middle rate prevailing at 5.00 p.m. as at the end of the financial year/period
	IDR100/MYR	IDR100/MYR
31 December 2021	0.0290	0.0293
31 December 2022	0.0296	0.0282
31 December 2023	0.0299	0.0298
30 September 2023	0.0299	0.0304
30 September 2024	0.0292	0.0272

(1) Computed based on the total interest-bearing borrowings (including lease liabilities) divided by the total equity.

INFORMATION ON XL (Cont'd)

Commentaries on financial performance**FPE 30 September 2024 vs FPE 30 September 2023**

XL Group's revenue increased by IDR1,493.6 billion or approximately 6.3% to IDR25,361.4 billion for the FPE 30 September 2024, from IDR23,867.8 billion for the FPE 30 September 2023, mainly due to data and digital services revenue which increased by IDR1,658.4 billion or approximately 7.6% for the FPE 30 September 2024.

XL Group's PBT increased by IDR514.0 billion or approximately 41.5% to IDR1,753.9 billion for the FPE 30 September 2024, from IDR1,239.9 billion for the FPE 30 September 2023, mainly due to sales and marketing expenses which decreased by IDR215.3 billion or approximately 11.9% for the FPE 30 September 2024.

FYE 31 December 2023 vs FYE 31 December 2022

XL Group's revenue increased by IDR3,180.7 billion or approximately 10.9% to IDR32,322.7 billion for the FYE 31 December 2023, from IDR29,142.0 billion for the FYE 31 December 2022, mainly due to the growth of XL Group's data and digital services segment. Revenue from data and digital services increased by IDR2,854.9 billion or approximately 10.8% for the FYE 31 December 2023.

XL Group's PBT increased by IDR344.4 billion or approximately 25.6% to IDR1,690.4 billion for the FYE 31 December 2023, from IDR1,346.0 billion for the FYE 31 December 2022, mainly due to sales and marketing expenses which decreased by IDR163.2 billion or approximately 6.2% for the FYE 31 December 2023.

FYE 31 December 2022 vs FYE 31 December 2021

XL Group's revenue increased by IDR2,387.9 billion or approximately 8.9% to IDR29,142.0 billion for the FYE 31 December 2022, from IDR26,754.1 billion for the FYE 31 December 2021, mainly due to data and digital services revenue which increased by IDR1,741.1 billion or approximately 7.0% for the FYE 31 December 2022.

XL Group's PBT decreased by IDR361.6 billion or approximately 21.2% to IDR1,346.0 billion for the FYE 31 December 2022, from IDR1,707.5 billion for the FYE 31 December 2021, mainly due to interconnection and other direct expenses which increased by IDR1,340.3 billion or approximately 87.3% for the FYE 31 December 2022.

INFORMATION ON SMARTFREN

1. SUMMARY CONSOLIDATED FINANCIAL INFORMATION ON SMARTFREN

A summary of the consolidated financial information of Smartfren Group based on its audited consolidated financial statements for the past three (3) FYEs 31 December 2021, 2022 and 2023 as well as the audited interim consolidated financial statements of the Smartfren Group for the nine (9)-month FPE 30 September 2023 and FPE 30 September 2024 is as follows:

	FYE 31 December						FPE 30 September			
	2021		2022		2023		2023		2024	
	IDR billion	RM million*	IDR billion	RM million*	IDR billion	RM million*	IDR billion	RM million*	IDR billion	RM million*
Revenue	10,456.8	3,032.5	11,202.6	3,316.0	11,655.7	3,485.1	8,629.5	2,580.2	8,543.1	2,494.6
(Loss) before tax / PBT	(566.3)	(164.2)	1,076.5	318.6	85.1	25.5	(647.0)	(193.5)	(943.5)	(275.5)
LATAMI / PATAMI	(435.3)	(126.2)	1,064.2	315.0	(108.9)	(32.6)	(599.6)	(179.3)	(1,007.7)	(294.2)
NA attributable to owners of the company	12,653.4	3,707.4	15,759.4	4,444.1	15,672.6	4,670.4	15,184.3	4,616.0	21,730.5	5,910.7
Total equity	12,653.4	3,707.5	15,759.5	4,444.2	15,672.7	4,670.5	15,184.4	4,616.1	21,730.6	5,910.7
Total interest-bearing borrowings (including lease liabilities)	23,424.2	6,863.3	23,707.1	6,685.4	24,118.0	7,187.2	24,620.0	7,484.5	17,417.0	4,737.4
Gearing (times) ⁽¹⁾		1.85		1.50		1.54		1.62		0.80

Notes:

* Converted based on the following exchange rates as published on BNM's website:

FYE/FPE	Income and expenses using the average middle rate prevailing at 5.00 p.m. for the FYE/FPE	Assets and liabilities using the middle rate prevailing at 5.00 p.m. as at the end of the financial year/period
	IDR100/MYR	IDR100/MYR
31 December 2021	0.0290	0.0293
31 December 2022	0.0296	0.0282
31 December 2023	0.0299	0.0298
30 September 2023	0.0299	0.0304
30 September 2024	0.0292	0.0272

(1) Computed based on the total interest-bearing borrowings (including lease liabilities) divided by the total equity.

INFORMATION ON SMARTFREN (Cont'd)

Commentaries on financial performance**FPE 30 September 2024 vs FPE 30 September 2023**

Smartfren Group's revenue decreased by IDR86.5 billion or approximately 1.0% to IDR8,543.1 billion for the FPE 30 September 2024, from IDR8,629.5 billion for the FPE 30 September 2023, mainly due to interconnection services revenue which decreased by IDR119.0 billion or approximately 36.8% for the FPE 30 September 2024.

Smartfren Group's PBT decreased by IDR296.5 billion or approximately 45.8% to a net loss of IDR943.5 billion for the FPE 30 September 2024, from a net loss of IDR647.0 billion for the FPE 30 September 2023, mainly due to depreciation and amortization expenses as well as operations, maintenance and telecommunication services expenses which increased by IDR321.7 billion and IDR209.6 billion respectively for the FPE 30 September 2024.

FYE 31 December 2023 vs FYE 31 December 2022

Smartfren Group's revenue increased by IDR453.1 billion or approximately 4.0% to IDR11,655.7 billion for the FYE 31 December 2023, from IDR11,202.6 billion for the FYE 31 December 2022, mainly due to the increase in data revenue of IDR237.7 billion from retail and corporate customers, increase in interconnection services revenue of IDR75.5 billion due to increase in traffic as well as the increase of IDR 135.4 billion in sales of software, information technology products and services to corporate customers for the FYE 31 December 2023.

Smartfren Group's PBT decreased by IDR991.3 billion or approximately 92.1% to IDR85.1 billion for the FYE 31 December 2023, from IDR1,076.5 billion for the FYE 31 December 2022, mainly due to overall operating expenses which increased by IDR532.5 billion or approximately 5.0% for the FYE 31 December 2023.

FYE 31 December 2022 vs FYE 31 December 2021

Smartfren Group's revenue increased by IDR745.8 billion or approximately 7.1% to IDR11,202.6 billion for the FYE 31 December 2022, from IDR10,456.8 billion for the FYE 31 December 2021, mainly due to the increase in data revenue from retail and corporate customers of IDR 338.3 billion or approximately 3.5% for the FYE 31 December 2022.

Smartfren Group's PBT increased by IDR1,642.8 billion to IDR1,076.5 billion for the FYE 31 December 2023, from a net loss of IDR566.3 billion for the FYE 31 December 2022, mainly due to profit from investment in shares which increased by IDR1,523.5 billion to IDR1,642.2 million for the FYE 31 December 2022.