

**AXIATA GROUP BERHAD (“AXIATA”)
RELINQUISHMENT OF RIGHTS AS SHAREHOLDERS OF IDEA CELLULAR LIMITED (“IDEA”)**

We refer to the announcement by Axiata dated 27 July 2018 on; inter-alia, the estimated financial impact due to the de-recognition of Idea as associate to simple investment (“**Announcement**”). Unless otherwise stated, the definitions used herein shall have the meanings as set out in the Announcement.

The Board of Directors of Axiata wishes to notify that Axiata Group had on 16 August 2018 unconditionally and irrevocably relinquished some of its rights under the Share Subscription Agreement dated 25 June 2008 between; inter-alia, Axiata Group and Idea in relation to subscription by Axiata Group of shares in Idea, the same having been duly acknowledged by Idea on even date (“**Relinquishment of Rights**”), which include, amongst others, the following:-

- i) Rights to appoint Axiata representative as a Board member of Idea and to the Board Audit Committee of Idea, and
- ii) Anti-dilution rights.

With the Relinquishment of Rights, Axiata ceases to have significant influence on Idea in accordance with applicable accounting standard which will result in:-

- i) Idea being reclassified as a financial asset measured at fair value through other comprehensive income; and
- ii) An estimated de-recognition loss for financial year ending 31 December 2018 (“**FYE2018**”) (“**De-Recognition Loss**”) as shown below:-

	RM’ million
Market value of the investment in Idea ⁽¹⁾ as simple investment	2,170.0
<u>Less: Carrying value of investment in Idea⁽²⁾</u>	<u>(5,437.3)</u>
	<u>(3,267.3)</u>
Realisation of foreign exchange translation reserve	(61.5)
Estimated De-Recognition Loss (Non-Cash)	<u><u>(3,328.8)</u></u>

Notes:

⁽¹⁾ 712,000,543 shares x INR51.95 using exchange rate of INR1: MYR 0.058667 as at 15 August 2018

⁽²⁾ Calculated based on estimated carrying value of investment in Idea as at 15 August 2018

The estimated De-Recognition Loss is expected to have a material impact on Earnings and Earnings per Share (“**EPS**”), Net Assets (“**NA**”) per share and gearing of Axiata Group for FYE2018.

For illustrative purpose, the effects of the Reclassification of Idea on the pro-forma PATAMI, EPS, NA Assets per share and gearing of Axiata Group, assuming the Relinquishment of Rights was completed as at the following date (audited financials for the financial year ended 31 December 2017) are set out below:-

	Financial Year Ended 31 December 2017 (Audited)	After Preferential Issuance of Idea Shares & Issuance of Idea Shares under Qualified Institutional Buyers (“QIP”) ^(a)	After Preferential Issuance of Idea Shares, Issuance of Idea Shares under QIP & Reclassification of Idea
	RM’000	RM’000	RM’000
PATAMI	909,480	551,876	(2,776,963) ⁽¹⁾
EPS (sen) ⁽²⁾			
- Basic	10.1	6.1	(30.9)
- Diluted	10.1	6.1	(30.8)
NA per share	2.73	2.69	2.33 ⁽³⁾
Gearing (times) ⁽⁴⁾	0.78	0.79	0.91

Notes:

^(a) As per announcement to Bursa Malaysia Securities Berhad dated 23 February 2018

⁽¹⁾ Includes aggregated impact of loss on dilution in relation to Issuance of Idea Shares under QIP and Preferential Issuance of Idea Shares of RM357.6 million and estimated De-Recognition Loss

⁽²⁾ Calculated using the weighted average number of shares in issue by Axiata as at 31 December 2017

⁽³⁾ Includes aggregated impact of loss on dilution in relation to Issuance of Idea Shares under QIP and aggregated with Preferential Issuance of Idea Shares of RM357.6 million and estimated De-Recognition Loss to the retained earnings based on shareholders equity over the number of shares in issue by Axiata as at 31 December 2017

⁽⁴⁾ Calculated using borrowings over number of shares in issue by Axiata as at 31 December 2017

This announcement is dated 16 August 2018