AXIATA GROUP BERHAD (242188-H)

The Board of Directors of Axiata Group Berhad is pleased to announce the following audited results of the Group for the financial year ended 31 December 2017.

AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	4th Quarter Ended		Financial Year Ended	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	RM'000	RM'000	RM'000	RM'000
Operating revenue	**6,261,095**	5,789,422	**24,402,401**	21,565,392
Operating costs				
- depreciation, impairment and amortisation	**(1,526,092)**	(1,808,302)	**(5,986,213)**	(5,666,505)
- foreign exchange (losses)/gains	**(54,195)**	133,916	**(191,563)**	(85,342)
- domestic interconnect and international outpayment	**(704,224)**	(570,318)	**(2,700,723)**	(2,096,123)
- marketing, advertising and promotion	**(553,444)**	(531,356)	**(2,108,755)**	(1,817,599)
- other operating costs	**(2,047,406)**	(2,277,123)	**(8,455,866)**	(8,074,312)
- staff costs	**(630,789)**	(431,067)	**(1,906,939)**	(1,564,710)
- other losses - net	**3,221**	26,610	**(57,665)**	(68,161)
Other operating income - net	**(107,116)**	292,490	**5,370**	534,566
Operating profit before finance cost	**641,050**	624,272	**3,000,047**	2,727,206
Finance income	**63,006**	55,285	**241,807**	183,394
Finance cost excluding net foreign exchange gains/(losses) on financing activities	**(307,341)**	(343,418)	**(1,253,369)**	(1,201,184)
Net foreign exchange gains/(losses) on financing activities	**140,410**	(556,693)	**352,000**	(599,720)
	(166,931)	(900,111)	**(901,369)**	(1,800,904)
Joint ventures				
- share of results (net of tax)	**(1,994)**	(31,457)	**(48,989)**	(95,842)
Associates				
- share of results (net of tax)	**(129,673)**	(17,965)	**(352,670)**	131,124
- gain/(loss) on dilution of equity interests	**5,120**	(3,666)	**(2,595)**	(5,398)
Profit before taxation and zakat	**410,578**	(273,642)	**1,936,231**	1,139,580
Taxation and zakat	**(308,277)**	1,580	**(773,749)**	(482,422)
Profit for the financial period/year	**102,301**	(272,062)	**1,162,482**	657,158
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
- actuarial gains on defined benefits plan, net of tax	**9,201**	21,682	**18,027**	14,867
Items that may be reclassified subsequently to profit or loss:				
- currency translation differences	**(841,497)**	1,527,119	**(2,070,454)**	1,708,339
- net cash flow hedge	**28,774**	(1,915)	**271**	(2,196)
- net investment hedge	**24,195**	(28,594)	**(15,801)**	(67,555)
- available-for-sale reserve	**-**	33,824	**(1,358)**	32,631
Other comprehensive income for the financial period/year, net of tax	**(779,327)**	1,552,116	**(2,069,315)**	1,686,086
Total comprehensive income for the financial period/year	**(677,026)**	1,280,054	**(906,833)**	2,343,244
Profit for the financial period/year attributable to:				
- owners of the company	**24,725**	(309,496)	**909,480**	504,254
- non-controlling interests	**77,576**	37,434	**253,002**	152,904
	102,301	(272,062)	**1,162,482**	657,158
Total comprehensive income for the financial period/year attributable to:				
- owners of the company	**(526,853)**	974,928	**(586,819)**	1,836,063
- non-controlling interests	**(150,173)**	305,126	**(320,014)**	507,181
	(677,026)	1,280,054	**(906,833)**	2,343,244
Earnings Per Share (sen) (Part B, Note 12)				
- basic	**0.3**	(3.5)	**10.1**	5.7
- diluted	**0.3**	(3.4)	**10.1**	5.7

(The above Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016)

AXIATA GROUP BERHAD (242188-H)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31/12/2017 RM'000 Audited	31/12/2016 RM'000 Restated
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	13,407,253	8,971,415
Share premium	-	4,081,106
Reserves	11,323,883	10,528,131
Total equity attributable to owners of the Company	24,731,136	23,580,652
Non-controlling interests	5,773,447	5,037,449
Total equity	30,504,583	28,618,101
NON-CURRENT LIABILITIES		
Borrowings	14,796,319	15,135,472
Derivative financial instruments	1,441,161	1,165,857
Deferred income	270,915	245,894
Deferred gain on sale and lease back assets	817,073	1,053,855
Other payables	1,644,197	1,581,353
Provision for liabilities	468,920	493,954
Deferred tax liabilities	1,672,496	2,195,955
Total non-current liabilities	21,111,081	21,872,340
	51,615,664	**50,490,441**
NON-CURRENT ASSETS		
Intangible assets	22,176,286	23,406,105
Property, plant and equipment	26,909,970	27,481,605
Joint ventures	26,022	109,254
Associates	7,985,974	8,400,152
Available-for-sale financial assets	62,030	63,925
Derivative financial instruments	143,777	398,318
Long term receivables	535,157	117,684
Deferred tax assets	270,046	291,633
Total non-current assets	58,109,262	60,268,676
CURRENT ASSETS		
Inventories	174,279	174,747
Trade and other receivables	4,496,637	4,775,304
Derivatives financial instruments	53,109	2,735
Financial assets at fair value through profit or loss	64	18
Tax recoverable	41,615	199,111
Deposits, cash and bank balances	6,812,868	5,332,414
Assets classified as held for sale	223,162	-
	11,801,734	10,484,329
LESS: CURRENT LIABILITIES		
Trade and other payables	12,616,963	12,282,899
Deferred gain on sale and lease back assets	126,017	140,817
Borrowings	4,387,670	7,124,409
Derivative financial instruments	152,621	162,650
Current tax liabilities	754,511	551,789
Liabilities classified as held for sale	257,550	-
Total current liabilities	18,295,332	20,262,564
Net current liabilities	(6,493,598)	(9,778,235)
	51,615,664	**50,490,441**
Net assets per share attributable to owners of the Company (sen)	273	263

(The above Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016)

AXIATA GROUP BERHAD (242188-H)

AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

		Attributable to equity holders of the Company														
	Note	Share capital '000	Share capital RM'000	Share premium RM'000	Currency translation differences RM'000	Capital contribution reserve RM'000	Merger reserve RM'000	Hedging reserve RM'000	Share-based payments reserve RM'000	Actuarial reserve RM'000	AFS reserve RM'000	Other reserve RM'000	Retained earnings RM'000	Total RM'000	NCI RM'000	Total equity RM'000
At 1 January 2017 (as previously reported)		8,971,415	8,971,415	4,081,106	2,288,800	16,598	346,774	(325,702)	135,647	11,107	35,998	(1,316,116)	9,335,025	23,580,652	5,039,552	28,620,204
Measurement period adjustment	4(a)	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,103)	(2,103)
At 1 January 2017 (as restated)		8,971,415	8,971,415	4,081,106	2,288,800	16,598	346,774	(325,702)	135,647	11,107	35,998	(1,316,116)	9,335,025	23,580,652	5,037,449	28,618,101
Profit for the financial year		-	-	-	-	-	-	-	-	-	-	-	909,480	909,480	253,002	1,162,482
Other comprehensive income:																
-Currency translation differences arising during the financial year:																
-subsidiaries		-	-	-	(1,369,813)	-	-	-	-	-	-	-	-	(1,369,813)	(578,331)	(1,948,144)
-joint venture		-	-	-	(4,202)	-	-	-	-	-	-	-	-	(4,202)	-	(4,202)
-associates		-	-	-	(118,108)	-	-	-	-	-	-	-	-	(118,108)	-	(118,108)
		-	-	-	(1,492,123)	-	-	-	-	-	-	-	-	(1,492,123)	(578,331)	(2,070,454)
-Net cash flow hedge		-	-	-	-	-	-	94	-	-	-	-	-	94	177	271
-Net investment hedge		-	-	-	-	-	-	(15,801)	-	-	-	-	-	(15,801)	-	(15,801)
-Actuarial gain, net of tax		-	-	-	-	-	-	-	-	12,889	-	-	-	12,889	5,138	18,027
-Revaluation of AFS		-	-	-	-	-	-	-	-	-	(1,358)	-	-	(1,358)	-	(1,358)
Total comprehensive income		**-**	**-**	**-**	**(1,492,123)**	**-**	**-**	**(15,707)**	**-**	**12,889**	**(1,358)**	**-**	**909,480**	**(586,819)**	**(320,014)**	**(906,833)**
Transactions with owners:																
-Issuance of new ordinary shares		2,103	7,540	110	-	-	-	-	-	-	-	-	-	7,650	-	7,650
-Transition to no par value regime	A(2)(i)	-	4,081,216	(4,081,216)	-	-	-	-	-	-	-	-	-	-	-	-
-Reversal of reserve		-	-	-	-	-	-	-	-	-	-	81	-	81	-	81
-Dilution of equity interest in subsidiaries		-	-	-	(1,180)	-	-	-	-	-	-	(987)	67,762	65,595	(63,564)	2,031
-Private placement of a subsidiary	A12(c)	-	-	-	724	-	-	-	-	-	-	40,087	1,229,623	1,270,434	908,552	2,178,986
-Partial disposal of subsidiaries	A12(c),(i)	-	-	-	(12,859)	-	-	-	-	-	-	18,884	765,470	771,495	390,946	1,162,441
-Acquisition of subsidiaries		-	-	-	-	-	-	-	-	-	-	-	(3,614)	(3,614)	17,595	13,981
-Dividends paid to shareholders by:																-
-issuance of new shares pursuant to DRS		73,046	339,888	-	-	-	-	-	-	-	-	-	(339,888)	-	-	-
-Cash		-	-	-	-	-	-	-	-	-	-	-	(379,252)	(379,252)	-	(379,252)
-Dividends paid to NCI		-	-	-	-	-	-	-	-	-	-	-	-	-	(197,517)	(197,517)
-Share-based payments expenses		-	-	-	-	-	-	-	4,914	-	-	-	-	4,914	-	4,914
-Transferred from share-based payments reserve upon exercise/vest		1,387	7,194	-	-	-	-	-	(7,194)	-	-	-	-	-	-	-
Total transaction with owners		76,536	4,435,838	(4,081,106)	(13,315)	-	-	-	(2,280)	-	-	58,065	1,340,101	1,737,303	1,056,012	2,793,315
At 31 December 2017		**9,047,951**	**13,407,253**	**-**	**783,362**	**16,598**	**346,774**	**(341,409)**	**133,367**	**23,996**	**34,640**	**(1,258,051)**	**11,584,606**	**24,731,136**	**5,773,447**	**30,504,583**

Employees Share Option Scheme ("ESOS") Restricted Share Awards ("RSA") Available-for-sale ("AFS") Non-controlling interests ('NCI') Dividend Reinvestment Scheme ('DRS')

(The above Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016)

AXIATA GROUP BERHAD (242188-H)
AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

	Attributable to equity holders of the Company													
	Share capital	**Share premium**	**Currency translation differences**	**Capital contribution reserve**	**Merger reserve**	**Hedging reserve**	**Actuarial reserve**	**Share-based payments reserve**	**AFS reserve**	**Other reserve**	**Retained earnings**	**Total**	**NCI**	**Total equity**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At 1 January 2016	8,816,858	3,485,891	931,111	16,598	346,774	(255,992)	(92)	130,229	3,367	(172,753)	10,223,278	23,525,269	2,199,075	25,724,344
Profit for the financial year	-	-	-	-	-	-	-	-	-	-	504,254	504,254	152,904	657,158
Other comprehensive income:														
-Currency translation differences arising during the financial year:														
-subsidiaries	-	-	1,287,217	-	-	-	-	-	-	-	-	1,287,217	350,650	1,637,867
-joint venture	-	-	604	-	-	-	-	-	-	-	-	604	-	604
-associates	-	-	69,868	-	-	-	-	-	-	-	-	69,868	-	69,868
	-	-	1,357,689	-	-	-	-	-	-	-	-	1,357,689	350,650	1,708,339
-Net cash flow hedge	-	-	-	-	-	(2,155)	-	-	-	-	-	(2,155)	(41)	(2,196)
-Net investment hedge	-	-	-	-	-	(67,555)	-	-	-	-	-	(67,555)	-	(67,555)
-Actuarial reverse	-	-	-	-	-	-	11,199	-	-	-	-	11,199	3,668	14,867
-Revaluation of AFS	-	-	-	-	-	-	-	-	32,631	-	-	32,631	-	32,631
Total comprehensive income	**-**	-	1,357,689	-	-	(69,710)	11,199	-	32,631	-	504,254	1,836,063	507,181	2,343,244
Transaction with owners:														
-Issuance of new ordinary shares	2,668	7,809	-	-	-	-	-	-	-	-	-	10,477	-	10,477
-Share issue expense	-	(171)	-	-	-	-	-	-	-	-	-	(171)	-	(171)
-Put options over shares held by NCI	-	-	-	-	-	-	-	-	-	(1,316,116)	-	(1,316,116)	-	(1,316,116)
-Extinguishment of put option	-	-	-	-	-	-	-	-	-	172,753	100,147	272,900	-	272,900
-Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	118,113	118,113	1,804,707	1,922,820
-Additional investment in a subsidiary	-	-	-	-	-	-	-	-	-	-	(83,338)	(83,338)	(73,375)	(156,713)
-Dilution of equity interest in subsidiaries	-	-	-	-	-	-	-	-	-	-	(5,821)	(5,821)	33,951	28,130
-Rights issue by a subsidiary	-	-	-	-	-	-	-	-	-	-	(16,492)	(16,492)	678,151	661,659
-Dividends paid to shareholders by:														
-issuance of new shares pursuant to DRS	146,927	567,712	-	-	-	-	-	-	-	-	(714,639)	-	-	-
-Cash	-	-	-	-	-	-	-	-	-	-	(790,477)	(790,477)	-	(790,477)
-Dividends paid to NCI	-	-	-	-	-	-	-	-	-	-	-	-	(112,241)	(112,241)
-Share-based payments expenses	-	-	-	-	-	-	-	30,245	-	-	-	30,245	-	30,245
-Transferred from share-based payments reserve upon exercise/vest	4,962	19,865	-	-	-	-	-	(24,827)	-	-	-	-	-	-
Total transactions with owners	154,557	595,215	-	-	-	-	-	5,418	-	(1,143,363)	(1,392,507)	(1,780,680)	2,331,193	550,513
At 31 December 2016 (as restated)	**8,971,415**	**4,081,106**	**2,288,800**	**16,598**	**346,774**	**(325,702)**	**11,107**	**135,647**	**35,998**	**(1,316,116)**	**9,335,025**	**23,580,652**	**5,037,449**	**28,618,101**

(The above Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016)

AXIATA GROUP BERHAD (242188-H)

AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	FOR THE FINANCIAL YEAR ENDED	
	31/12/2017	31/12/2016
	RM'000	RM'000
Receipt from customers	23,648,914	21,480,090
Payment to suppliers and employees	(15,884,795)	(12,804,218)
Payment of finance costs	(1,297,431)	(1,153,868)
Payment of income taxes (net of refunds)	(730,614)	(744,903)
Zakat	(3,123)	(2,000)
CASH FLOWS FROM OPERATING ACTIVITIES	**5,732,951**	**6,775,101**
Proceeds from disposal of property, plant and equipment	28,945	81,187
Purchase of property, plant & equipment	(4,914,051)	(5,564,249)
Acquisition of intangible assets	(99,372)	(1,003,074)
Proceed from sale and lease back transactions of a subsidiary	-	564,141
Investments in subsidiaries (net of cash acquired)	(446,015)	(5,247,127)
Additional investment in a subsidiary	-	(156,612)
Investments in deposits maturing more than three (3) months	140,068	479,338
Investment in associates	(110,047)	(57,421)
Additional investment in associates	(20,149)	(83,471)
Investment in a joint venture	-	(384)
Capital injection in a joint venture	(34,003)	(96,162)
Settlement of deferred purchase consideration of investments in a subsidiaries	(43,221)	(54,794)
Other investment	(649)	-
Dividends received from associates	92,587	118,229
Net repayments from/(advance) to employees	25	(1,622)
Interests received	239,343	186,804
CASH FLOWS USED IN INVESTING ACTIVITIES	**(5,166,539)**	**(10,835,217)**
Proceeds from issuance of shares under Axiata Share Scheme	7,650	10,477
Share issue expense	-	(171)
Proceeds from borrowings	5,090,384	6,532,538
Repayments of borrowings	(7,250,018)	(4,672,168)
Proceeds from Sukuks	1,712,860	2,489,687
Repayment of Sukuks	(1,000,000)	(164,502)
Net proceed from private placement of a subsidiary	2,178,986	-
Net proceed from rights issue of a subsidiary	-	667,614
Proceed from sale and lease back transactions of a subsidiary	-	531,235
Repayment of finance lease creditors	(153,693)	(122,145)
Additional investment in a subsidiary by non-controlling interest	-	900
Pre-acquisition dividend of a subsidiary paid to non-controlling interest	-	(79,835)
Partial disposal of a subsidiary	1,162,440	-
Additional investment in a subsidiary	(6,555)	-
Dividends paid to shareholders	(379,252)	(790,477)
Dividends paid to non-controlling interests	(115,136)	(112,241)
CASH FLOWS FROM FINANCING ACTIVITIES	**1,247,666**	**4,290,912**
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,814,078	230,796
NET DECREASE/(INCREASE) IN RESTRICTED CASH AND CASH EQUIVALENT	224,347	(240,143)
EFFECT OF EXCHANGE RATE CHANGES	(216,189)	98,104
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	4,649,422	4,560,665
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	**6,471,658**	**4,649,422**

(The above Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016)

AXIATA GROUP BERHAD (242188-H)

AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)		
	FOR THE FINANCIAL YEAR ENDED	
	31/12/2017	31/12/2016
	RM'000	RM'000
Total deposits, cash and bank balances	6,812,868	5,332,414
Add: Cash and cash equivalent of a discontinued operation	(9,079)	
Less:		
- Deposit pledged and escrow account	(85,836)	(93,496)
- Deposit on investment in subsidiaries	(86,826)	(320,717)
- Deposits maturing more than three (3) months	(66,645)	(206,712)
- Bank overdrafts	(92,824)	(62,067)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	**6,471,658**	**4,649,422**

(The above Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016)

PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

1. Basis of Preparation

The audited financial statements for the financial year ended 31 December 2017 of the Group have been prepared in accordance with the International Financial Reporting Standards compliance framework, Malaysian Financial Reporting Standards ("MFRS"), MFRS 134 "Interim Financial Reporting", Paragraph 9.22 and Appendix 9B of the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Main LR"), and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2016 ("2016 Audited Financial Statements").

2. Accounting Policies

The accounting policies and method of computation applied in the audited financial statements are consistent with those used in the preparation of the 2016 Audited Financial Statements except for the following:

(i) Companies Act 2016

The Companies Act 2016 ("New Act") was enacted to replace the Companies Act 1965 which becomes effective on 31 January 2017. Amongst the key changes introduced in the New Act which affecting the unaudited interim financial statements of the Company during the current quarter and financial year to date is as below:

(a) removal of the authorised share capital;
(b) shares of the Company will cease to have par or nominal value; and
(c) the Company's share premium account had become part of the Company's share capital.

Consequently, the Company reclassified the share premium reserve as at 31 January 2017 to the share capital pursuant to the transitional provision set out in Section 618(2) of the New Act. Notwithstanding this provision, the Company may within twenty four (24) months from the commencement of the New Act, use this amount for the purposes as set out in Section 618(2) of the New Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition. The above mentioned financial impact to the Company as at 31 January 2017 is as below:

	As at 1 January 2017	New issues	As at 31 January 2017	Changes in Companies Act 2016	As at 31 January 2017
	RM'000	RM'000	RM'000	RM'000	RM'000
Share capital	8,971,415	65	8,971,480	4,081,216	13,052,696
Share premium	4,081,106	110	4,081,216	(4,081,216)	-

2. Accounting Policies (continued)

(ii) Adoption of amendments to MFRS

The adoption of amendments to existing standards that are applicable to the Group for the financial year beginning 1 January 2017 as set out below.

• Amendments to MFRS 107	Disclosure Initiative
• Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
• Annual Improvements to MFRSs	2014-2016 Cycle

The adoption of the amendments to existing standards did not have any significant impact to the Group during the financial year to date.

3. Seasonal or Cyclical Factors

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

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

The Group's performance for the current quarter and financial year to date has taken into account of the following:

(a) On 11 April 2016, the Group completed the acquisition of Reynolds Holdings Limited. As at 31 Dec 2016, the goodwill was accounted for on a provision basis.

In April 2017, the Group reassessed the purchase price allocation and retrospectively adjusted the provisional amounts recognised at the acquisition date to reflect the new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period adjustments on consolidated statement of financial position as at 31 December 2016 are summarised as below:

	As previously reported RM'000	Measurement period adjustments RM'000	As restated RM'000
Property, plant and equipment	27,466,131	15,474	27,481,605
Intangible assets	23,153,033	253,072	23,406,105
Trade and other receivables	4,779,575	(4,271)	4,775,304
Trade and other payables	(12,027,136)	(255,763)	(12,282,899)
Tax liabilities	(489,857)	(61,932)	(551,789)
Provision for liabilities	(499,720)	5,766	(493,954)
Deferred tax liabilities	(2,241,506)	45,551	(2,195,955)

		(2,103)	
		=======	
Non-controlling interests	5,039,552	(2,103)	5,037,449
		=======	

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

(b) Robi Axiata Limited (“Robi”), a subsidiary of the Group recognised a total tax credit related to a subsidiary acquired in 2016 amounting to BDT1.9 billion (RM102.5 million);

(c) In November 2017, the Board of the Company approved the Group’s sale intention on Multinet Pakistan (Private) Limited (“Multinet”). Accordingly the Group defined Multinet as discontinued operation and the assets and liabilities of Multinet as at 31 December 2017 are classified as held-for-sale. As required by MFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” the business is held at fair value less cost of sale, accordingly the Group recognised an impairment loss on assets held-for-sale of Multinet amounting to RM161.4 million during the current quarter and financial year to date.

(d) The Group recognised net foreign exchange gains of RM86.2million and RM 160.4 million respectively mainly arising from the revaluation of USD borrowings and payables during the current quarter and financial year to date respectively.

Other than the above and as disclosed in Part A, 12 of this announcement, there were no other unusual items affecting assets, liabilities, equity, net income or cash flows due to their nature, size or incidence for the financial year ended 31 December 2017.

5. Estimates

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

There were no changes in estimates of amounts reported in prior financial years that may have a material effect in the current quarter and financial year to date.

In preparing the audited financial statements, the significant judgements made by the management in applying the Group’s accounting policies and the sources of estimates uncertainty were consistent as those applied to 2016 Audited Financial Statements.

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

(a) During the financial year to date, the Company issued new ordinary shares under the Axiata Share Scheme and Dividend Reinvestment Scheme ("DRS") as below:

Description	Total ordinary shares of the Company issued	
	'000	RM'000
● Performance-Based Employee Share Option Scheme ("ESOS") at an exercise price of either RM1.81, RM3.15, RM3.45 and RM5.07	2,103	9,700
● Restricted Share Awards at an issuance price from RM3.45 to RM6.09 being the fair value of RSA issued.	1,387	5,144
● DRS at a conversion price of RM4.63 and RM4.70 per ordinary share respectively.	73,046	339,888
Total	76,536	354,732

(b) On 15 February 2017, the Company has partially settled a total amount of RM800.9 million (USD180.0 million) for its loan undertaken with Bank of Tokyo Mitsubishi in 2016.

Subsequently the Company refinanced its remaining loan balance of RM2,143.9 million (USD482.0 million) which was due for settlement on 16 March 2017 with Hong Kong and Shanghai Banking Corporation ("HSBC") and Oversea-Chinese Banking Corporation at respective amount of RM1,112.0 million (USD250.0 million) and RM1,031.9 million (USD232.0 million). Both loans have tenure of twelve (12) months from the date of the Facility Agreement and carry contractual interest rate of LIBOR + applicable interest.

On 14 June 2017, the Company partially settled a total amount of RM281.2 million (USD66.0 million) for its loan undertaken with HSBC above.

(c) On 28 April 2017, PT XL Axiata Tbk ("XL") issued Sukuk Ijarah namely Shelf Sukuk Ijarah I XL Axiata Tranche II Year 2017 amounting to RM712.9 million (IDR2.18 trillion) with maturity periods between 376 days and ten (10) years and was registered in Indonesia Stock Exchange on 2 May 2017.

(d) On 29 August 2017, Celcom Networks Sdn Bhd, a wholly-owned subsidiary of Celcom Axiata Berhad ("Celcom") completed the issuance of RM1,000.0 million nominal value of rated Sukuks ("Sukuk Issuance") under a private offering as below:

i) RM200.0 million with the tenure of five (5) years carries a profit rate of 4.85% per annum (payable semi-annually in arrears);
ii) RM350.0 million with the tenure of seven (7) years carries a profit rate of 5.05% per annum (payable semi-annually in arrears); and
iii) RM450.0 million with the tenure of ten (10) years carries a profit rate of 5.20% per annum (payable semi-annually in arrears).

Aside from the above, there were no other significant unusual issues, repurchases and repayments of debt and equity securities during the financial year ended 31 December 2017.

7. Dividend paid

(a) The Company declared and paid the dividend during the financial year as below:

Date of payment	Description	Per ordinary share	Total
		Sen	**RM'000**
11 July 2017	Final tax exempt dividend under single tier in respect of financial year ended 31 December 2016[1]	3	269,221
9 November 2017	Interim tax exempt dividend under single tier in respect of financial year ended 31 December 2017[2]	5	449,919
		8	719,140

[1] Out of the total dividend distribution, a total RM113.2 million was converted into 24.1 million new ordinary shares of the Company as disclosed in Part A, Note 6(a) of this announcement.

[2] Out of the total dividend distribution, a total RM226.7 million was converted into 49.0 million new ordinary shares of the Company as disclosed in Part A, Note 6(a) of this announcement.

8. Segmental Information

For the financial year ended 31 December 2017

Segment[3]	Mobile						Infrastructure			
	Malaysia	Indonesia	Bangladesh	Sri Lanka	Nepal	Cambodia	Malaysia	Others	Consolidation adjustments/ eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total operating revenue	6,593,239	7,365,963	3,640,273	2,655,808	2,401,835	1,187,913	1,431,561	328,356	-	25,604,948
Inter-segment[5]	(44,101)	(77,612)	360	(13,799)	(49,628)	(14,031)	(1,002,438)	(1,298)	-	(1,202,547)
External operating revenue	6,549,138	7,288,351	3,640,633	2,642,009	2,352,207	1,173,882	429,123	327,058	-	24,402,401
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	2,317,905	2,761,979	693,173	954,966	1,560,896	589,433	626,319	(802,615)	528,062	9,230,118
Interest income	85,633	46,484	5,332	6,897	27,593	7,699	24,892	87,939	(50,662)	241,807
Interest expense	(222,688)	(513,566)	(76,306)	(52,459)	(24,954)	(2,612)	(37,053)	(406,930)	83,199	(1,253,369)
Depreciation of property, plant & equipment ("PPE")	(873,593)	(2,255,996)	(584,270)	(513,838)	(307,496)	(184,670)	(275,266)	(43,297)	24,053	(5,014,373)
Amortisation of intangible assets	(127,333)	(62,334)	(250,494)	(37,205)	(159,228)	(5,209)	(25,851)	(1,704)	(304,020)	(973,378)
Joint ventures:										
- share of results (net of tax)	403	(33,136)	-	-	-	-	-	(16,256)	-	(48,989)
Associates:										
- share of results (net of tax)[1]	(6,007)	-	16,303	(379)	-	(754)	7,737	(369,570)	-	(352,670)
- loss on dilution of equity interests	-	-	-	-	-	-	-	(2,595)	-	(2,595)
Impairment of PPE, net of reversal	-	22,145	1,749	13,094	(13,315)	-	-	-	-	23,673
Other non-cash income/(expense)[2]	220,662	101,673	(37,725)	(20,495)	(80,122)	(32,251)	(49,224)	1,398,667	(1,415,178)	86,007
Taxation	(337,206)	49,590	127,871	(47,212)	(291,944)	(88,074)	(101,404)	(121,958)	36,588	(773,749)
Segment profit/(loss) for the financial year	**1,057,776**	**116,839**	**(104,367)**	**303,369**	**711,430**	**283,562**	**170,150**	**(278,319)**	**(1,097,958)**	**1,162,482**

[1] Share of results of associates were mainly contributed by Idea Cellular Limited (-RM450.5 million) and M1 Limited (RM122.4 million).

[2] Included in other non-cash income/(expense) is the adjustment on provision of loss on assets held for sale (RM161.4 million), elimination of gains arising from partial disposal of subsidiaries (RM796.5 million) and intra-group restructuring gains on associates recorded by respective segments (RM153.6 million).

[3] During the financial year, management has presented Infrastructure segment as a separate segment. This was previously included within "Others". Comparative information has been restated to reflect the new segment.

8. Segmental Information (continued)

For the financial year ended 31 December 2016 (restated)

Segment[3]	Mobile						Infrastructure			
	Malaysia	Indonesia	Bangladesh	Sri Lanka	Nepal	Cambodia	Malaysia	Others	Consolidation adjustments/ eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total operating revenue	6,613,328	6,637,183	2,783,435	2,459,995	1,629,543	1,088,840	650,721	267,967	-	22,131,012
Inter-segment[5]	(36,680)	(33,013)	(42)	(44,337)	(16,507)	(10,442)	(419,229)	(5,370)	-	(565,620)
External operating revenue	6,576,648	6,604,170	2,783,393	2,415,658	1,613,036	1,078,398	231,492	262,597	-	21,565,392
EBITDA	2,304,248	2,612,231	758,352	828,420	1,021,197	538,012	254,782	(286,423)	(18,171)	8,012,648
Interest income	76,140	63,313	5,848	10,408	4,579	8,380	6,412	126,471	(118,157)	183,394
Interest expense	(189,153)	(607,202)	(53,721)	(44,288)	(18,988)	(5,227)	(63,242)	(332,462)	113,099	(1,201,184)
Depreciation of PPE	(785,189)	(2,527,400)	(821,735)	(432,202)	(167,603)	(149,244)	(52,432)	(46,243)	17,801	(4,964,247)
Amortisation of intangible assets	(78,130)	(67,819)	(141,557)	(29,847)	(77,655)	(4,385)	(24,550)	(319)	(206,399)	(630,661)
Joint venture:										
- share of results (net of tax)	(2,775)	(79,213)	-	-	-	-	-	(13,854)	-	(95,842)
Associates:										
- share of results (net of tax)[4]	(61,318)	-	-	(230)	-	-	55,106	137,566	-	131,124
- loss on dilution of equity interests	-	-	-	-	-	-	-	(5,398)	-	(5,398)
Impairment of PPE, net of reversal	-	(19,965)	(2,032)	(1,338)	(25,886)	-	1,167	(14,312)	-	(62,366)
Other non-cash income/(expenses)	25,303	679,918	(13,729)	(31,912)	24,793	(34,821)	(115,899)	(998,102)	236,561	(227,888)
Taxation	(312,858)	59,070	62,944	(43,034)	(191,991)	(74,273)	100	(58,837)	76,457	(482,422)
Segment profit/(loss) for the financial year	976,268	112,933	(205,630)	255,977	568,446	278,442	61,444	(1,491,913)	101,191	657,158

[4] Share of results of associates were mainly contributed by Idea Cellular Limited (RM65.1 million) and M1 Limited (RM128.8 million).

[5] Inter-segment operating revenue has been eliminated at the respective segment operating revenue. The inter-segment operating revenue was entered into in the normal course of business and at prices available to third parties or at negotiated terms.

9. Valuation of PPE

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

10. Acquisitions of PPE

During the financial year to date, the Group acquired additional PPE amounting to RM6,700.8 million mainly for its telecommunication network equipment and capital work in progress. Included in the additional PPE is a finance lease arrangement of a subsidiary amounting to RM436.0 million.

11. Events after the Interim Period

(a) Additional investment in Headstart Private Limited ("Headstart")

Digital Holdings Lanka (Private) Limited ("DHL"), a subsidiary of Dialog Axiata Plc ("Dialog"), proceeded with the conversion to equity the 'Bond type B' and 'Bond type C' in Headstart, consisting of 414 ordinary shares on 18 January 2018. Subsequent to the said conversion, the total shareholding of DHL in Headstart increased from 43.37% as disclosed in Part A, Note 12 (g) of this announcement to 50.59%.

(b) Incorporation of Axiata Global Services Pte Ltd ("AGSPL")

Axiata Business Services Sdn Bhd ("ABS"), a wholly-owned subsidiary of the Company, had on 22 January 2018 completed the incorporation of AGSPL (Company No. 201802703Z), a private company limited by shares, in Singapore, under the Companies (Amendment) Act 2017.

AGSPL was incorporated with an issued and paid-up share capital of USD2. The intended principal activities of AGSPL are to carry out regional Business-to-Business transactions including shared service support for the Company.

(c) Letter of Offer on Spectrum Assignment in the 2100 Mhz Spectrum Band

Celcom Axiata Berhad ("Celcom") had on 31 October 2016 received the letter from the Malaysian Communications and Multimedia Commission ("MCMC") on the reissuance of the existing Spectrum Assignment in 1950 Mhz to 1965 Mhz and 2140 Mhz to 2155 Mhz for a period of 16 years effective from 2 April 2018, subject to price component payment of RM118.4 million being made in one lump sum before 1 February 2018 and annual fixed fee payment of RM50.0 million payable before 15 December throughout the assignment period. Celcom has submitted the price component fee of RM118.4 million on 30 January 2018.

(d) Dilution on equity interest in Idea Cellular Limited ("Idea")

Idea had on 12 February 2018 allotted 326,633,165 equity shares with face value of INR10.00 each ("Idea Shares") at an issue price of INR99.50 per Idea Share aggregating to INR32.5 billion on preferential basis to several entities ("Preferential Issuance of Idea Shares") to the National Stock Exchange of India Limited.

Following the non-participation by the Group on the allotment of Idea Shares under the Preferential Issuance of Idea Shares, the Group's equity interest in Idea decreased from 19.74% to 18.10%.

There was no other significant event after interim period that requires disclosure and/or adjustment as at 15 February 2018.

12. Effects of Changes in the Composition of the Group

(a) Incorporation of Axiata Digital Ecode Sdn Bhd ("ADE")

Axiata Digital Services Sdn Bhd ("ADS"), a wholly-owned subsidiary of the Company had on 9 January 2017 completed the incorporation of ADE (Company No. 1214970-T), a private company limited by shares, under the Companies Act, 1965.

The issued and paid-up share capital of ADE is RM2 and its intended principal activities are to carry out the business of researching and developing internet services and mobile applications.

The incorporation above did not have any significant impact to the Group during the financial year to date.

(b) Acquisition of 31.01% equity interest in edotco Bangladesh Co. Ltd ("edotco BD") by edotco Group from Robi

On 18 January 2017, the call option exercise to acquire 31.01% of the issued and paid up capital of edotco BD pursuant to the sale and purchase agreement dated 5 November 2014 was completed by edotco Group. Accordingly, the Group's effective interest in edotco BD increased from 84.03% to 93.74%.

The acquisition above did not have any significant impact to the Group during the financial year to date.

(c) Private placement of edotco Group and share divestment on edotco Group

On 27 January 2017, the private placement of edotco Group and the share divestment on edotco Group by the Company were completed with:

(i) 409,904,436 edotco Group's ordinary shares were issued to Innovation Network Corporation of Japan ("INCJ"), at a cash consideration of USD300.0 million (RM1,329.1 million); and

(ii) 273,269,624 edotco Group's ordinary shares were disposed to Mount Bintang Ventures Sdn Bhd at a gross purchase consideration of USD200.0 million (RM888.7 million).

In conjunction with the private placement above, edotco Group had further issued the following:

(i) On 18 April 2017, a total 136,634,813 ordinary shares were issued to INCJ for a cash consideration of USD100.0 million (RM435.0 million); and

(ii) On 28 April 2017, a total 136,634,813 ordinary shares were issued to Kumpulan Wang Persaraan (Diperbadankan) for a cash consideration of USD100.0 million (RM441.0 million).

12. Effects of Changes in the Composition of the Group (continued)

(c) Private placement of edotco Group and share divestment on edotco Group (continued)

With the completion of the transactions above, the Group's effective shareholding in edotco Group decreased from 100.00% to 63.00%. The Group recorded the following in the consolidated statement of changes in equity during the financial year to date as below:

Consolidated statements of changes in equity

	Currency translation differences RM'000	Other reserve RM'000	Retained earnings RM'000	Non-controlling interests RM'000	Total RM'000
Private placement	724	40,087	1,229,623	908,552	2,178,986
Divestment	(1,592)	18,884	590,475	278,428	886,195

(d) Acquisition of 12.28% equity interest in Milvik AB

ADS had on 3 March 2017 entered into a Subscription Agreement with Kinnivek New Ventures AB, Milicom Holding 100 B.V., Leapfrog Financial Inclusion (Luxembourg) S.a r.l, Future Holdings Limited, Anders Olsson and the Pensioneer Trustee Company (Guernsey) Limited, Gustaf Agartson and Mathilda Strom for the acquisition of 12.28% or 1,523,116 ordinary shares of Milvik AB at a consideration of USD16.8 million (RM74.2 million). The above transaction was completed on 23 March 2017 and effectively Milvik AB became an associate of the Group.

The investment above did not have significant impact to the Group during the financial year to date.

(e) Acquisition of equity interest in Unlockd Media Pty Ltd ("Unlockd")

ADS had on 6 March 2017 entered into a Share Subscription Agreement ("SSA") with Unlockd for the acquisition of the following equity interests:

(i) Tranche 1: On 19 May 2017, ADS acquired 127,258 ordinary shares at a cash consideration of USD5.0 million (RM21.6 million) and 151,370 ordinary shares at a consideration of USD5.9 million (RM25.7 million) in exchange for assets held by ADS. Effectively Unlockd became a 9.60% owned associate of the Group;

(ii) Tranche 2: 76,355 ordinary shares at a consideration of USD3.0 million (RM12.1 million). ADS shall further subscribe for Tranche 2 subject to ADS achieving the additional conditions precedent as per the SSA. On 7 December 2017, ADS subscribed 38,177 shares for a cash consideration of USD1.5 million (RM6.2 million), increasing ADS's equity interest in Unlockd from 9.60% to 10.05%.

The investment above did not have significant impact to the Group during the current quarter and financial year to date.

12. Effects of Changes in the Composition of the Group (continued)

(f) Investment in Etobee Holding Pte Ltd ("Etobee")

ADS, had on 15 March 2017 entered into a Subscription Agreement ("SA") with the Investors, Kejora Investment Partners Pte Ltd, Gobi Partners, the Founders, namely Sven Milder and Iman Kusnadi and the existing shareholders, namely PT Kejora Digital Venturanusa, Bang Bang Venture Pte Ltd, Jimmy Setiadi Wibowo and PT Skystar Kapital Indonesia and Etobee Holding Pte Ltd for the acquisition of 18.75% or 300 Series A Preference Share of Etobee Holding Pte Ltd which will be split into 2 tranches as below:

i) Tranche 1 – On 22 May 2017, ADS acquired 14.81% or 200 Series A Preference Share at a consideration of USD1.0 million (RM4.31 million). Effectively Etobee became an associate of the Group; and

ii) Tranche 2 – additional 3.94% or 100 Series A Preference Share at a consideration of USD500,000 (RM2.0 million). ADS shall further subscribe for Tranche 2 subject to ADS achieving the additional conditions precedent as per the SA.

The investment above did not have any significant impact to the Group during the financial year to date.

(g) Additional investment in Headstart

DHL proceeded with the conversion to equity the 'Bond type B' and 'Bond type C' in Headstart, consisting of 414 ordinary shares on 15 March 2017. Subsequent to the said conversion, the total shareholding of DHL in Headstart increased from 26.00% to 43.37%.

The additional investment above did not have significant impact to the Group during the financial year to date.

(h) Dilution on equity interest in Axiata Digital Innovation Fund Sdn Bhd ("ADIF")

During the financial year to date, the Group's equity interest in ADIF via Axiata SPV4 Sdn Bhd, a wholly-owned subsidiary of the Company, decreased from 71.07% to 62.19% following the issuance of shares to the new shareholder of ADIF, namely Johor Corporation or its nominee pursuant to the Subscription Agreement entered into between the parties therein dated 3 May 2017.

The dilution above did not have significant impact to the Group during the financial year to date.

12. Effects of Changes in the Composition of the Group (continued)

(i) Additional investment in Localcube Commerce Private Limited ("Localcube")

The Group via Axiata Investments (Mauritius) Limited ("AIM"), a wholly-owned subsidiary of ADS had on 12 May 2017, further subscribed the remaining 1,559 Compulsorily Convertible Preference Shares of Localcube at par value of INR10 per share resulting in AIM's total shareholding of 29.65% of issued and paid up capital of Localcube for a total consideration of USD3.2 million (RM14.2 million).

The additional investment above did not have any significant impact to the Group during the financial year to date.

(j) Disposal of 10.00% equity interest in Axiata (Cambodia) Holdings Limited ("ACH")

On 19 May 2017, the Company and its wholly owned subsidiary, Axiata Investments (Cambodia) Limited ("AIC") entered into a SPA with M&Y Asia Telecom Holdings Pte. Ltd. ("MY Asia") and Mitsui & Co., Ltd. ("Mitsui") for the disposal by AIC of 226 ordinary shares of USD1 each in ACH, the holding company of Smart Axiata Co., Ltd ("Smart"), representing 10.00% of the total issued and paid-up share capital of ACH, for a total cash consideration of USD66.0 million (RM285.7 million) ("Initial Sale"). Mitsui and the Company are the guarantors for MY Asia's and AIC's obligations, respectively under the SPA.

Pursuant to the Initial Sale, AIC also entered into an Amended and Restated Shareholders Agreement with MY Asia and Southern Coast Ventures Inc. ("SCV") to govern their relationship as shareholders of ACH which includes inter-alia, a call option to MY Asia for further 10.00% stake in ACH.

On 1 June 2017, the initial sale was completed. AIC and MY Asia now respectively holds 82.48% and 10.00% interest in ACH, with the balance of 7.52% held by SCV.

The Group recognised an increase of RM175.0 million in the consolidated retained earnings and non-controlling interests amounting to RM112.5 million with the decrease in consolidated foreign exchange gain reserve of RM11.3 million.

(k) Incorporation of Xpand Investments (Labuan) Limited ("Xpand Labuan")

ABS had on 6 June 2017 completed the incorporation of Xpand Labuan (Company No. LL13757), a private company limited by shares, in the Federal Territory of Labuan, Malaysia under the Labuan Companies Act, 1990.

Xpand Labuan was incorporated with an issued and paid-up share capital of USD2. The intended principal activity of Xpand Labuan is an investment holding company.

The incorporation above did not have any significant impact to the Group during the financial year to date.

12. Effects of Changes in the Composition of the Group (continued)

(l) Incorporation of Adknowledge Asia Philippines Inc ("AAP")

Adknowledge Asia Pacific Pte Ltd, a subsidiary of the Group had on 10 July 2017 completed the incorporation of AAP (Registration No. CS201722696), a private company limited by shares, in the Republic of the Philippines, under Batas Pambansa Blg. No. 68 otherwise known as the Corporation Code of the Philippines.

AAP was incorporated with an authorised share capital of PHP40.0 million divided into 320,000 ordinary shares of PHP125 each. The issued and paid-up share capital of AAP is PHP10.0 million and its intended principal activity is to engage in the business of providing technology and software solutions.

The incorporation above did not have significant impact to the Group during the financial year to date.

(m) Acquisition of Tanzanite Tower Private Limited ("TTPL")

On 3 August 2017, edotco Pakistan Limited, a wholly-owned subsidiary of edotco Group Sdn Bhd ("edotco Group") completed the acquisition of 100% equity interest in TTPL for a purchase consideration of USD88.9 million (RM380.5 million) after adjustments provided under the terms of the Sale and Purchase Agreement.

In accordance with the terms of the Share and Purchase Agreement ("SPA"), TTPL had on the Completion Date entered into a Share Pledge Agreement ("PA") with HB Offshore Investments Limited ("HBOIL"), the owner of wi-tribe Pakistan Limited ("wi-tribe"), provider of wireless broadband services in Islamabad, Rawalpindi, Lahore, Karachi, and Faisalabad. Under the PA, TTPL shall be the beneficiary (by way of security) for all the wi-tribe shares held by HBOIL, being the only issued capital of wi-tribe, as security for wi-tribe's indebtedness and obligations to TTPL under the Amended and Restated Tower Space Master License Agreement dated 28 June 2016 (as amended) for a limited period of time between TS PK and wi-tribe.

During the current quarter and financial year to date, the Group recognised a total goodwill provision of PKR4.8 billion (RM193.7 million) [subject to finalisation of Purchase Price Allocation exercise within twelve (12) months from the date of acquisition of TTPL].

(n) Acquisition of Suvitech Co. Ltd ("Suvitech")

On 15 May 2017, ABS entered into a Share Sale and Purchase Agreement for the acquisition of 65.00% of the issued share capital of Suvitech at a consideration of USD11.1 million (RM47.9 million). The acquisition was completed by ABS through its wholly-owned subsidiary, Xpand Labuan on 16 August 2017.

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

(o) Disposal of PT XL Planet ("XLJV")

On 22 August 2017, PT XL Axiata Tbk ("XL") and SK Planet Global Holdings Pte Ltd entered into a Conditional Sales and Purchase Agreement to sell its entire ownership share in XLJV to PT Jaya Kencana Mulia Lestari and Superb Premium Pte Ltd. On 29 August 2017, the Purchasers have been given full control over the management of XLJV and accordingly the Group recorded a total loss on disposal amounting to RM54.4 million related to the transaction above.

The closing stage for sale and transfer of XL shares in XLJV was completed on 28 November 2017.

12. Effects of Changes in the Composition of the Group (continued)

(p) Registration of SADIF LP ("SADIF")

Smart had on 8 September 2017 registered SADIF (Registration No. LP/00273/2017), a limited partnership, in Labuan, under the Labuan Limited Partnerships and Limited Liability Partnerships Act 2010.

SADIF was registered with 80% of the limited partnership held by Smart and the remaining 19% and 1% held by Forte Investment Holdings Co., Ltd and Mekong Strategic Ventures, respectively. The intended principal activities of SADIF are to establish and operate a venture capital fund for the investment in digital start-up businesses.

The registration above did not have significant impact to the Group during the financial year to date.

(q) Acquisitions of shares in Colombo Trust Finance PLC ("CTF")

On 12 September 2017, Dialog acquired a total of 37,374,598 ordinary shares of CTF, a finance company licensed by the Central Bank of Sri Lanka, representing 80.34% of the voting rights in CTF. The shares were acquired at a price of LKR 28.70 per share amounting to a total consideration of LKR1.1 billion (RM29.6 million).

In accordance with the Takeovers and Mergers Code of the Securities and Exchange Commission of Sri Lanka, the Company made a mandatory offer to the remaining shareholders of CTF to acquire the remaining 9,144,645 ordinary voting shares held by such shareholders in CTF at an offer price of LKR 28.70 per share.

On 2 November 2017, Dialog increased its stake in CTF to 98.87% following the mandatory offer which has netted 8,619,031 million shares or 18.53%. The shares were acquired at a price of LKR 28.70 per share amounting to a total consideration of LKR247.4 million (RM6.6 million). With the latest addition, Dialog now holds 45,993,629 million shares or 98.87% stake in CTF.

The acquisition above did not have significant impact to the Group during the current quarter and financial year to date.

(r) Incorporation of Merchantrade Digital Services Sdn Bhd ("MDS")

ADS had on 12 September 2017 completed the incorporation of MDS (Company No. 1246560-H), a private company limited by shares, under the Companies Act 2016.

MDS was incorporated with paid up share capital of RM1,000 of which 51% is held by ADS and the remaining by Merchantrade Asia Sdn Bhd ("MAS"). MDS is the designated vehicle for the joint venture between ADS and MAS to carry out the business of digital financial services and solution provider.

The incorporation above did not have any significant impact to the Group during the financial year to date.

12. Effects of Changes in the Composition of the Group (continued)

(s) Incorporation of Axiata Digital Bangladesh (Private) Limited ("ADB")

ADS had on 11 October 2017 completed the incorporation of ADB (Company No. C-140384/2017), a private company limited by shares, in People's Republic of Bangladesh, under the Companies Act (Bangladesh) 1994.

ADB was incorporated with an authorised share capital of BDT10.0 million divided into 100,000 ordinary shares of BDT100 each. The issued and paid-up share capital of ADB is BDT1.6 million divided into 16,000 ordinary shares of BDT100 each and its intended principal activity is to carry out an online ticketing business in Bangladesh.

The incorporation above did not have any significant impact to the Group during the current quarter and financial year to date.

(t) Incorporation of Dialog Axiata Digital Innovation Fund (Private) Limited ("DADIF")

DHL a subsidiary of Dialog, together with ADS and BOV Capital (Private) Limited ("BOV") incorporated DADIF on 12 October 2017, with the objective of establishing and operating a venture capital fund for the investment in digital start-up businesses. At present, BOV holds 2 shares whilst DHL and ADS hold 1 share each of DADIF.

The incorporation above did not have any significant impact to the Group during the current quarter and financial year to date.

(u) Incorporation of PT Axiata Digital Analytics Indonesia ("PTADAI")

Axiata Digital Advertising Sdn Bhd ("ADASB"), a wholly-owned subsidiary of ADS, had on 23 October 2017 incorporated a new subsidiary, PTADAI, a limited liability company under Indonesian Law No. 40 of 2007. The incorporation of PTADAI was completed following receipt by ADASB on 25 October 2017 of the registration certificate (registration no. 4017102331103978) from the Ministry of Law and Human Rights, Republic of Indonesia.

PTADAI was incorporated with an approved share capital of USD250,000. The intended principal activity of the Company is to carry out the business of digital advertising and consumer analytics of ADSB in Indonesia.

The incorporation above did not have any significant impact to the Group during the current quarter and financial year to date.

(v) Incorporation of PT Asia Digital Services Indonesia ("PTADSI")

ADS had on 14 November 2017 incorporated a new subsidiary, PTADSI, a limited liability company under Indonesian Law No. 40 of 2007. The incorporation of PTADSI was completed following receipt by ADS on 16 November 2017 of the registration certificate (registration no. 4017111431102497) from the Ministry of Law and Human Rights, Republic of Indonesia.

PTADSI was incorporated with an approved share capital of USD250,000. The intended principal activity of the Company is to carry out the business of digital financial services of ADS in Indonesia.

The incorporation above did not have any significant impact to the Group during the current quarter and financial year to date.

12. Effects of Changes in the Composition of the Group (continued)

(w) Incorporation of APIgate Sdn Bhd ("APIgate")

ADS had on 12 December 2017 completed the incorporation of APIgate (Company No. 1259684-W), a private company limited by shares, under the Companies Act 2016.

APIgate was incorporated with an issued and paid-up share capital of RM2. The intended principal activities of APIgate are to carry out the business of developing Application Programming Interface ("API") and offering API services via API hub and portals, software and mobile applications.

The incorporation above did not have any significant impact to the Group during the current quarter and financial year to date.

(x) Incorporation of On Site Services Sdn Bhd ("On Site Services")

Celcom Axiata Berhad, a wholly-owned subsidiary of the Company had on 18 December 2017 completed the incorporation of On Site Services (Company No. 1260419-D), a private company limited by shares, under the Companies Act 2016.

On Site Services was incorporated with an issued and paid-up share capital of RM2. The intended principal activities of On Site Services are to carry on the business of engineering and design, installation, testing and commissioning, network audit and optimisation for the telecommunication services industry and provision of telecommunication equipment and accessories.

The incorporation above did not have any significant impact to the Group during the current quarter and financial year to date.

(y) Dilution of equity interest in Milvik AB

On 19 December 2017, Milvik AB announced a financing including USD30.0 million growth round resulted ADS's equity interest in Milvik AB decreased from 12.28% to 10.63%. Accordingly the Group recognised a total gain on dilution of RM5.1 during the current quarter and financial year to date.

(z) Disposal of equity interest in Yonder Music Inc ("Yonder")

On 22 December 2017, ADS entered into a Conditional Sales and Purchase Agreement to sell its entire ownership share in Yonder to Yonder Music Partners LLC. Accordingly the Group recorded a total loss on disposal amounting to RM30.0 million related to the transaction above.

(aa) Dilution on equity interest in Idea

During the financial year to date, the Group's equity interest in Idea, decreased from 19.77% to 19.74% following the issuance of new ordinary shares under Idea's ESOS.

The dilution above has no significant impact to the Group during the financial year to date.

12. Effects of Changes in the Composition of the Group (continued)

(bb) Accretion on equity interest in M1 Limited ("M1")

During the financial year to date, the Group's equity interest in M1, held through Axiata Investments (Singapore) Limited, a wholly-owned subsidiary of the Company, increased from 28.54% to 28.69% mainly due to M1 repurchased its ordinary shares of 5.0 million (treasury shares) by way of market acquisition.

The accretion above has no significant impact to the Group during the financial year to date.

Other than above, there were no other changes in the composition of the Group for the financial year ended 31 December 2017.

13. Significant Changes in Contingent Assets or Contingent Liabilities

Other than as disclosed in Part B, 9 of this announcement, there has been no significant change in contingent assets or contingent liabilities of subsidiaries and associates from that disclosed in the 2016 Audited Financial Statements.

14. Capital Commitments

	Group	
As at	**31/12/2017**	31/12/2016
	RM'000	RM'000
Commitments in respect of expenditure approved and contracted for	**2,667,022**	2,144,717

15. Financial Instruments At Fair Value Measurements

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

- Derivative financial instruments (assets and liabilities); and
- Trading securities

The Group measured the financial instruments based on:

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

The Group's derivative financial instruments as at 31 December 2017 were grouped as below:

Derivatives Financial Instruments	**2017**				2016			
	Level 1	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets								
Financial assets at fair value through profit or loss:								
-Trading security	64	-	-	64	18	-	-	18
Financial assets at AFS:								
-Equity securities	-	61,317	713	62,030	-	62,675	1,250	63,925
Non-hedging derivatives	-	196,507	-	196,507	-	177,777	-	177,777
Derivative used for hedging	-	379	-	379	-	223,276	-	223,276
Liabilities								
Derivatives used for hedging	-	(196,836)	-	(196,836)	-	(6,077)	-	(6,077)
Total	**64**	**61,367**	**713**	**62,144**	18	457,651	1,250	458,919

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

1. Review of Performance

(a) Quarter-on-Quarter (Q4'17 vs Q4'16)

	Current Year Quarter	Preceding Year Corresponding Quarter	Variance	
	31/12/2017	31/12/2016		
	RM'million	RM'million	RM'million	%
Revenue	6,261.1	5,789.4	471.7	8.1
EBITDA	2,325.2	1,979.6	345.6	17.5
PAT[1]	102.3	(272.1)	374.4	137.6
PATAMI[2]	24.7	(309.5)	334.2	108.0

[1] PAT : Profit after tax
[2] PATAMI : Profit after tax and minority interest

Group Performance

Group revenue increased by 8.1% to RM6,261.1 million from RM5,789.4 million in Q4'16 on the back of strong growth from the Group's key mobile operating entities – Indonesia, Malaysia and Bangladesh. Performance in revenue was fuelled by continued traction in the data revenue segment, now contributing 49.2% of service revenue as compared to 37.9% in Q4'16. EBITDA for the Group increased by 17.5% quarter-on-quarter driven by strong increase in revenue growth and cost optimisation drive across the Group.

PAT was up by more than 100% to RM102.3 million for the period largely attributed to improved EBITDA and forex gains as oppose to forex loss in Q4'16. Share of results from associates and joint ventures were lower by over 100% to record a loss of RM126.5 million for the quarter. The decline was the result of losses in India amounting to RM159.5 million as compared to a loss of RM14.6 million in Q4'16 as the Indian mobile market continues to be negatively impacted by the new entrant's aggressive price competition. PATAMI increased by more than 100% to RM24.7 million compared to loss of RM309.5 million recorded in Q4'16.

Geographical Highlights

- Malaysia: Revenue increased 4.3% underpinned by strong growth in data segment which grew by 25.5%. EBITDA increased 1.8% to RM595.5 million. PAT increased by 28.2% to RM264.5 million from RM206.3 million recorded in the preceding year corresponding quarter mainly attributed to recognition of grant income from Malaysian Communication and Multimedia Commission ("MCMC") following to completion of sites in selected areas.

- Indonesia: Revenue grew 9.2% to RM1,855.5 million on the back of solid performance in data revenue segment – growing 50.3% signifies Indonesia's continued strong take-up of innovative data-led products on its high quality data network. EBITDA increased by 9.7% to RM671.5 million as costs remain controlled. PAT however, decreased 36.7% for the period to record at RM42.3 million due to recognition of one-off pre-tax tower gain in Q4'16 of RM270.6 million.

1. Review of Performance (continued)

(a) Quarter-on-Quarter (Q4'17 vs Q4'16) (continued)

Geographical Highlights (continued)

- Bangladesh: Revenue grew by 18.3% from the merged Robi-Airtel entity driven by larger subscriber base and better performance in data segment which registered 77.5% growth as compared to prior year. EBITDA increased by 74.9% to RM190.2 recorded for the quarter flowing from higher revenue and Airtel integration synergy. As a result, PAT increased by 89.6% to report a marked lower loss of RM23.4 million as compared to loss of RM225.4 million in the preceding year corresponding quarter.

- Sri Lanka: Total revenue grew 1.5% mainly due to acquisition of a subsidiary. EBITDA grew 14.4% to RM248.1 million from savings in operational costs. Higher EBITDA and lower forex loss resulted in PAT increase by more than 100% to RM86.3 million.

- Nepal: Nepal recorded revenue growth of 5.7% to RM628.5 million arising from data revenue growth of 17.4%. EBITDA increased by 3.3% flowing from higher revenue recorded. PAT however, declined by 19.9% to RM188.3 million due to higher forex loss, depreciation and tax.

- Cambodia: Revenue registered a decrease of 9.5% to RM277.1 million due to heightened competition. EBITDA declined 9.0% from lower revenue and new regulatory charges. Higher depreciation charges further impacted PAT to decrease by 51.7% to RM28.2 million for the current year quarter.

- Malaysia (Infrastructure) : Revenue and EBITDA grew by more than 100% to record at RM399.8 million and RM168.7 million respectively, with the completion of intra-group transfer as compared to Q4'16. PAT however, increased by more than 100% to RM31.9 million due to lower forex loss.

(b) Year-on-Year (YTD'17 vs YTD'16)

	Current Year To Date	Immediate Preceding Year	Variance	
	31/12/2017	31/12/2016		
	RM'million	RM'million	RM'million	%
Revenue	24,402.4	21,565.4	2,837.0	13.2
EBITDA	9,230.1	8,012.6	1,217.5	15.2
PAT	1,162.5	657.2	505.3	76.9
PATAMI	909.5	504.3	405.2	80.4

Group Performance

For the financial year to date 2017 ("YTD'17"), Group revenue increased by 13.2% to RM24,402.4 million from RM21,565.4 million as recorded last year. The improvement in revenue was a result of strong contribution from all major operating companies. Strong performance in revenue was driven by data segment growth with data revenue contributing 45.4% of service revenue as compared to 34.3% in YTD'16. Strong revenue performance couple with Group-wide cost optimisation efforts yielded an EBITDA increase of 15.2%.

1. Review of Performance (continued)

(b) Year-on-Year (YTD'17 vs YTD'16) (continued)

PAT grew 76.9% to RM1,162.5 million as a result of improved EBITDA and forex gains of current year as oppose to forex loss in the prior year. Share of results from associates and joint ventures declined by more than 100% as a result of share of losses from the Group's investment in India. India operation continues to be challenged in face of the aggressive price competition from the new entrant, resulting in a loss of RM450.5 million for YTD'17 as compared to a profit of RM65.1 million in YTD'16. Despite the setback of India investment, PATAMI increased by 80.4% to RM909.5 million.

Geographical Highlights

- Malaysia: Revenue and EBITDA was flat at RM6,593.2 million and RM2,317.9 million respectively due to decline in legacy voice and SMS revenue in line with industry trends. PAT increase 8.3% to RM1,057.8 million at entity level as compared to RM976.3 million in prior year benefitting from one-off intergroup gain from disposal of an associate.

- Indonesia: Revenue gained 11.0% to RM7,366.0 million on the back of strong data revenue growth of 66.7%. EBITDA improved by 5.7% to RM2,762.0 million. PAT for Indonesia's operations is at RM116.8 million, an increase of 3.5% compared to RM112.9 million last year.

- Bangladesh: Revenue grew by 30.8% to RM3,640.3 million from enlarged subscriber base from merged Robi-Airtel entity and further underpinned by strong performance in data segment which grew by 90.6%. EBITDA recorded a net drop of 8.6% to RM693.2 million due to deconsolidation of edotco Bangladesh as well as the inclusion of lower margin business operations from the Airtel business. Integration of Airtel with Robi has been completed ahead of plan. Bangladesh's operations reported a lower loss of RM104.4 million in YTD'17, an improvement of 49.2% from YTD'16 loss of RM205.6 million, mainly due to lower depreciation charges.

- Sri Lanka: Revenue grew 8.0% for the year to RM2,655.8 million with data revenue growth of 37.6%. EBITDA for the year grew by 15.3% to RM955.0 million. PAT increased by 18.5% to RM303.4 million as a result of higher revenue and EBITDA.

- Nepal: Revenue was RM2,401.8 million with growth momentum fuelled by voice and data notwithstanding with the decline in International Long Distance revenue. EBITDA and PAT were RM1,560.9 million and RM711.4 million respectively for the YTD'17 driven by discipline on cost. Increase in revenue, EBITDA and PAT recorded following full year YTD'17 results as compared to partial year for YTD'16 with acquisition effective from 11 April 2016.

- Cambodia: Revenue grew 9.1% to RM1,187.9 million, driven by strong performance in data revenue, improving by 33.3% as compared to prior year while EBITDA was up by 9.6% to RM589.4 million. Despite the increase in EBITDA, PAT marginally increased by 1.8% to RM283.6 million due to higher depreciation charges and tax.

- Malaysia (Infrastructure): Revenue, EBITDA and PAT increased by more than 100% to RM1,431.6 million, RM626.3 million and RM170.2 million respectively. Increase in revenue, EBITDA and PAT recorded following to YTD'17 completion of intra-group transfer as compared to YTD'16.

1. Review of Performance (continued)

(c) Comparison with Preceding Quarter's Result (Q4'17 vs Q3'17)

	Current Quarter	Immediate Preceding Quarter	Variance	
	31/12/2017	30/9/2017		
	RM'million	RM'million	RM'million	%
Revenue	6,261.1	6,201.8	59.3	1.0
EBITDA	2,325.2	2,477.0	(151.8)	(6.1)
PAT	102.3	319.1	(216.8)	(67.9)
PATAMI	24.7	238.5	(213.8)	(89.6)

Group Performance

Group revenue increased marginally by 1.0% to RM6,261.1 million from RM6,201.8 million recorded in Q3'17 contributed by the Group operating entities in Malaysia, Nepal and Bangladesh. EBITDA declined by 6.1% to RM2,325.2 million attributed by lower revenue and higher operational costs. Increased in tax charged and lower EBITDA resulted to PAT and PATAMI to decrease by 67.9% and 89.6% to RM102.3 million and RM24.7 million respectively.

Geographical Highlights

- Malaysia: Revenue improved 3.7% compared to the previous quarter as reflective of business operations stabilisation. EBITDA decreased by 3.9% to RM595.5 million due to higher regulatory and operating costs. PAT however, increased by 9.6% mainly due to recognition of grant income from MCMC following to completion of sites in selected areas.

- Indonesia: Revenue decrease 3.0% as decline in legacy voice and SMS revenue outpace the increase in data revenue in the current quarter. EBITDA decreased by 10.6% as a result from lower revenue and higher operational costs. Despite lower contribution from EBITDA, PAT however improved by 43.1% to RM42.3 million mainly due to recognition of losses from disposal of investment in a joint venture recorded in Q3'17.

- Bangladesh: Revenue grew by 2.5% compared to preceding quarter mainly due to increase in non-mobile revenue. EBITDA for the quarter decreased by 7.7% notwithstanding with the increase in revenue due to higher operational and regulatory costs. PAT for the quarter improved by 4.8% due to lower tax charged.

1. Review of Performance (continued)

(c) Comparison with Preceding Quarter's Result (Q4'17 vs Q3'17) (continued)

Geographical Highlights (continued)

- Sri Lanka: Revenue for the current quarter was flat at RM673.9 million. EBITDA for the quarter declined by 5.6% due to higher operational costs resulted PAT to decline 17.7%.

- Nepal: Revenue improved 5.1% to RM628.5 million with data revenue growth of 3.9%. EBITDA increased by 12.9% driven by higher revenue and costs optimisation. PAT increased by 19.2% to RM188.3 million from RM157.9 million recorded in the preceding quarter attributed mainly to lower amortisation charges.

- Cambodia: Revenue declined by 6.2% to RM277.1 million as compared to preceding quarter of RM295.4 million from lower mobile revenue impacted by intense price competition in the market. As a result, EBITDA decreased by 8.6%. PAT decrease 64.1% attributable mainly to one-off intergroup loss on disposal of a subsidiary.

- Malaysia (Infrastructure): Revenue and EBITDA increased by 9.6% and 10.1% to RM399.8 million and RM168.7 million respectively. PAT however, declined by 23.0% to RM31.9 million from RM41.4 million recorded in Q3'17 as a result of higher tax charged and forex loss.

1. Review of Performance (continued)

(d) Economic Profit ("EP") Statement

	4th Quarter Ended		Financial Year Ended	
	31/12/2017	31/12/2016	**31/12/2017**	31/12/2016
	RM'000	RM'000	**RM'000**	RM'000
EBIT	799,140	171,256	3,243,906	2,346,142
Adjusted Tax at 24%	(191,794)	(41,101)	(778,537)	(563,074)
Share of results and loss on dilutions of associates	(126,547)	(53,088)	(404,254)	29,884
NOPLAT	480,799	77,067	2,061,115	1,812,952
AIC	44,211,688	41,076,854	44,211,688	41,076,854
WACC	7.77%	8.05%	7.77%	8.05%
Economic Charge (AIC*WACC)	858,812	826,672	3,435,248	3,306,687
Economic Profit	**(378,013)**	(749,605)	**(1,374,133)**	(1,493,735)

The EP Statement is as prescribed under the Government Linked Companies Transformation Program and it is disclosed on a voluntary basis.

EP is a yardstick to measure shareholder value as it provides a more accurate picture of underlying economic performance of the Group vis-à-vis its financial accounting reports, i.e. it explains how much return a business generates over its cost of capital. This can be measured from the difference of NOPLAT and Economic Charge.

The factor contributing to higher NOPLAT during the current quarter and financial year to date respectively is mainly contributed by EBIT achieved by the Group as disclosed in Part B, Note 1(a) and (b) of this announcement.

The Group recorded:

(i) a lower WACC during the current quarter and financial year to date mainly resulted from lower cost of debt as a result of loan settlement.

(ii) The Group achieved high average invested capital during the current quarter and financial year to date mainly due to high CAPEX investment.

Note:

EBIT = EBITDA less depreciation, impairment and amortisation
NOPLAT = Net Operating Profit/(Loss) After Tax
AIC = Average Invested Capital, consist of average operating capital, average net PPE, and average net other operating assets
WACC = Weighted Average Cost of Capital is calculated as weighted average cost of debts and equity taking into account the proportion of debt position and market capitalisation as at end of the period.

2. Headline Key Performance Indicators ("KPIs") for the financial year ended 31 December 2017

On 23 February 2017, the Group announced its Headline KPIs guidance for the financial year ended 31 December 2017. The Group's 2017 Headline KPIs announced were as below:

Headline KPIs	FY2017 Achievement @ actual currency	FY2017 Headline KPIs @ Bloomberg[1] rate	FY2017 Achievement @ Bloomberg[1] rate	FY2017 Headline KPIs @ constant currency[2]	FY2017 Achievement @ constant currency[2]
Revenue Growth (%)	**13.2%**	9% - 11%	**11.5%**	8% - 10%	**10.9%**
EBITDA Growth (%)	**15.2%**	7% - 9%	**13.1%**	6% - 8%	**12.4%**
Return on Invested Capital ("ROIC") (%)	**4.7%**	4.5% - 5.0%	**4.7%**	4.5% - 5.0%	**4.6%**
Return on Capital Employed ("ROCE") (%)	**4.2%**	4.0% - 4.5%	**4.1%**	4.0% - 4.5%	**4.0%**

[1] 1 USD = RM4.55

[2] 1 USD = RM4.14

FY2017 has been a strong year for the Group, where all our operating companies ("OpCos") in Malaysia, Indonesia, Cambodia, Sri Lanka, Bangladesh and Nepal performed better than the mobile telecommunications industry in their respective countries. However the Group's performance was adversely affected by associate in India. Idea continued to be adversely affected by unprecedented disruption from new entrant and changing industry dynamics.

Against a backdrop of still-intense competitive landscape in Malaysia, Celcom performed better than its main competitors, financial performance remains stable. In Indonesia, XL is staging a strong recovery, on the back of improved execution of its transformation agenda and network expansion into ex-Java. Our OpCo in Bangladesh, Robi has delivered larger-than-expected synergistic benefits from its merger with Airtel; whilst market leaders in Cambodia, Sri Lanka and Nepal continue to deliver excellent performance.

The Group's performance was also lifted by our cost optimisation initiatives which delivered cost savings of RM1.3 billion for FY17, which is well ahead of our initial target of RM800 million.

Overall, the Group posted Revenue and EBITDA growth of 13.2% and 15.2% year-on-year, which is ahead of our Headline KPI, based on both constant and actual currency. The Group also achieved ROIC and ROCE of 4.7% and 4.2%, respectively, which is in line with our Headline KPI, based on both constant and actual currency.

2. Headline Key Performance Indicators ("KPIs") for the financial year ended 31 December 2017 (continued)

In line with Axiata 3.0, the Group will focus on the triple core strategy launched in 2017 to transform and form the Mobile business into Telco 3.0 (convergence and digitization), Digital businesses into four focused Digital verticals and Infrastructure/tower business into a global scale.

Macro-economic outlook, regulatory landscape and political environment will remain challenging in some of the markets. Amidst this, Axiata anticipates heightened competition in certain footprints. Axiata may also be affected by foreign currency fluctuations especially with the expected strengthening of RM against other transacting and translating currencies.

Against this landscape, Axiata is set to capitalize the momentum garnered and milestones achieved in FY2017. The Group is well positioned to continue the excellent growth across its existing portfolio, and FY2018 will be further elevated by Deodar contribution which is projected to complete in Q2'18. Consistent with the triple core strategy, Axiata will be making significant investment to enhance its network presence and putting in moderate investment in digital businesses and consolidate its tower portfolio. Consequently, the year's performance will be moderated by the spending required to nurture the expansion in these new growth areas; as well as by higher depreciation and amortization arising from recent and future capital expenditure and spectrum investments. Nonetheless, the Group is expecting to see positive impact from the cost optimization programs that was embarked since FY2017, now executed vigorously across the Group.

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

The Group has not provided any profit forecast or profit guarantee in a public document in respect of the financial year ended 31 December 2017.

4. Taxation

The taxation charge for the Group comprises:

	4th Quarter Ended		**Financial Year Ended**	
	31/12/2017	31/12/2016	**31/12/2017**	31/12/2016
	RM'000	RM'000	**RM'000**	RM'000
Income tax	439,611	66,613	1,126,075	557,089
Zakat	929	1,810	929	1,810
Deferred tax	(132,263)	(70,003)	(353,255)	(76,477)
Total taxation	**308,277**	(1,580)	**773,749**	482,422

The current quarter and financial year to date's effective tax rate of the Group is higher than the statutory tax rate mainly due to non-deductible expenses.

5. Status of Corporate Proposals

(a) Subscription Agreement for shares in edotco Pakistan (Private) Limited

On 30 August 2017, edotco Investments (Labuan) Limited ("edotco Labuan"), a wholly owned subsidiary of edotco Group, had entered into a Subscription Agreement ("SA") with Dawood Hercules Corporation Limited ("DH Corp") for the subscription of shares in edotco Pakistan (Private) Limited ("edotco PK"), a wholly owned subsidiary of edotco.

Under the SA, edotco Labuan and DH Corp will respectively subscribe to 955,260,813 and 1,743,000,000 of edotco PK shares of PKR10 each ("Proposed Subscription") at consideration of USD154.7 million (equivalent to RM660.6 million) and USD166.0 million (equivalent to RM708.7 million) respectively ("Subscription Monies"). The Subscription Monies including the initial equity injection by edotco Labuan of USD19.2 million (equivalent to RM82.2 million) shall be used to partially fund the acquisition of Deodar (Private) Limited ("Deodar") which owns and operates approximately 13,000 of Pakistan Mobile Communications Limited ("PMCL") tower portfolio, the largest in Pakistan. Upon closing of the Proposed Subscription, edotco Labuan and DH Corp will respectively hold 55% and 45% interest in edotco PK.

Closing of the Proposed Subscription under the SA is expected in the second quarter of 2018.

(b) Acquisition of Deodar (Private) Limited

On 30 August 2017, Tanzanite Tower (Private) Limited ("TTPL"), a wholly owned subsidiary of edotco Group, had entered into an Agreement for the Subscription, Sale and Purchase of the Shares in Deodar with PMCL for the subscription of up to 3,569,990,000 ordinary shares of PKR10 each and the subsequent acquisition of the remaining nominal amount of shares in the capital of Deodar from PMCL for a total cash consideration of USD940.0 million (equivalent to approximately RM4,012.9 million) ("Proposed Acquisition of Deodar").

Barring any unforeseen circumstances and subject to all approvals being obtained, the Proposed Acquisition of Deodar is expected to be completed in the second quarter of 2018.

(c) Acquisition of Sabay Digital Plus Co. Ltd ("SDP")

Smart Axiata Co., Ltd ("Smart"), had on 9 October 2017 entered into the following agreements in relation to its investments in SDP:

(i) Convertible Loan Agreement with SDP under which Smart will make available a loan facility of USD1.5 million to SDP which is convertible to ordinary shares in SDP; and

(ii) Call Option Agreement with SDP and Sabay Digital Pte. Ltd ("SDG") for the acquisition of additional SDP shares from SDG as follows:

- Such number of SDP Shares ("Top Up Shares") resulting with the aggregate number of SDP Shares held by Smart is equivalent to 30% of the issued and paid up capital of SDP; and
- All or part of the remaining issued and paid up capital of SDP ("Balance Shares") from SDG at a price to be agreed by the parties.

There is no other corporate proposal announced but not completed as at 15 February 2018.

6. Group's Borrowings and Debt Securities

(a) Breakdown of the Group's borrowings and debt securities as at 31 December 2017 were as follows:

	2017		2016	
	Current	**Non-current**	Current	Non-current
	RM'000	**RM'000**	RM'000	RM'000
Secured	93,502	299,356	333,788	880,204
Unsecured	4,294,168	14,496,963	6,790,621	14,255,268
Total	**4,387,670**	**14,796,319**	7,124,409	15,135,472

(b) Foreign currency borrowings and debt securities in RM equivalent as at 31 December 2017 were as follows:

Foreign Currencies	**2017**	2016
	RM'000	RM'000
USD	9,735,843	12,251,782
IDR	3,036,317	3,372,189
BDT	1,004,076	1,193,680
SLR	353,484	353,555
PKR	5,555	53,243
THB	4,966	-
Total	**14,140,241**	17,224,449

7. Outstanding derivatives

(a) The detail of the Group's outstanding net derivatives financial instruments as at 31 December 2017 are set out as follow:

Type of derivatives financial instruments	2017 Notional value	2017 Fair value favorable/ (unfavorable)	2016 Notional value	2016 Fair value favorable/ (unfavorable)
	RM'000	RM'000	RM'000	RM'000
Cross currency interest rate swaps:				
- < 1 year	202,375	41,771	(2,440)	(2,440)
- 1 - 3 years	2,367,788	(69,816)	224,300	61,567
- > 3 years	1,230,440	(116,061)	3,988,054	220,541
Interest rate swaps contracts:				
- < 1 year	136,752	379	162,085	(465)
- 1 - 3 years	-	-	151,875	(436)
Call spread contracts:				
- 1 - 3 years	1,214,250	135,434	1,345,800	107,867
Put option liabilities over shares held by a non-controlling interests:				
- < 1 year	(141,662)	(141,662)	(157,010)	(157,010)
- 1 - 3 years	(1,255,284)	(1,255,284)	(1,165,420)	(1,165,420)
Convertible warrants in an associate:				
- 1 - 3 years	19,251	8,343	19,251	8,343
Total		**(1,396,896)**		(927,453)

(b) The risks associated with the derivative financial instrument and the policies in place for mitigating such risks were disclosed in 2016 Audited Financial Statements.

8. Fair value changes of financial liabilities

The Group recognised a total net (losses)/gains in the consolidated profit or loss arising from the fair value changes on the derivatives financial instruments which are marked to market as at date of statement of financial position are as follows:

	4th Quarter Ended		Financial Year Ended	
	31/12/2017	31/12/2016	**31/12/2017**	31/12/2016
	RM'000	RM'000	**RM'000**	RM'000
Total net (losses)/gains	**(13,388)**	11,623	**(89,863)**	(94,939)

9. Material Litigation

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

(a) Celcom Trading Sdn Bhd (formerly known as Rego Multi-Trades Sdn Bhd) ("Celcom Trading") vs Aras Capital Sdn Bhd ("Aras Capital") & Tan Sri Dato' Tajudin Ramli ("TSDTR")

On 30 November 2004, Celcom Trading instituted a claim against Aras Capital and TSDTR for amounts due to Celcom Trading of RM261.8 million (subsequently amended to RM264.5 million) together with interest and costs for breach of an investment agreement and a supplemental agreement by Aras Capital and an indemnity letter given by TSDTR ("Main Suit 1").

On 13 May 2005, TSDTR filed its defence and instituted a counterclaim against Celcom Trading, Celcom Resources Berhad (formerly known as Technology Resources Industries Berhad) ("Celcom Resources") and its directors for, inter alia, RM100.0 million and a declaration that the investment agreement, the supplemental agreement and the indemnity letter are void or to be rescinded ("TSDTR's Counterclaim").

On 20 June 2016, after full trial, the High Court allowed Celcom Trading's claim under the Main Suit 1 of RM264.5 million with interest at 5% per annum from 13 May 2013 until full settlement and dismissed TSDTR's Counterclaim with costs of RM100,000.00 ("Judgment").

TSDTR's applications to the High Court and thereafter, to the Court of Appeal for stay of execution of the Judgment were dismissed and thereafter upheld with costs of RM5,000.00 and RM10,000.00 respectively.

TSDTR appealed against the Judgment to the Court of Appeal wherein it was dismissed with costs of RM15,000.00 on 29 November 2017 ("COA Decision"). Subsequently, TSDTR filed an application for leave to appeal to the Federal Court against COA Decision ("Leave to Appeal") which is fixed for hearing on 19 April 2018. Meanwhile, the Leave of Appeal is fixed for case management on 19 February 2018 pending grounds of decision (if any) from the Court of Appeal and for parties to exhaust the exchange of affidavits.

(b) Celcom Axiata Berhad (formerly known as Celcom (Malaysia) Berhad) ("Celcom") & Another vs TSDTR & 6 Others ("Conspiracy Suit")

On 24 October 2008, Celcom and Celcom Resources filed a claim against five (5) of its former directors, namely (i) TSDTR, (ii) Bistaman Ramli ("BR"), (iii) Dato' Lim Kheng Yew ("DLKY"), (iv) Axel Hass ("AH"), and (v) Oliver Tim Axmann ("OTA") (the Defendants in items (iv) and (v) collectively referred to as the "German Directors"), as well as DeTeAsia Holding GmbH ("DeTeAsia") and Beringin Murni Sdn. Bhd. ("BM") (collectively referred to as the "Defendants"), for conspiring with each other to injure Celcom and Celcom Resources by causing and/or committing Celcom and Celcom Resources to enter into the Supplemental Agreement to the Subscription Agreement and the Management Agreement dated 7 February 2002 ("Supplemental Agreement") and the Amended and Restated Supplemental Agreement dated 4 April 2002 ("ARSA") in consideration for the renunciation by DeTeAsia of certain rights issue shares in Celcom Resources in favour of TSDTR and BR ("Main Suit 2").

TSDTR and BR, and each of AH, OTA and DeTeAsia filed their respective applications to strike out the Main Suit 2 but all the applications were dismissed by the High Court and thereafter, upheld by the Court of Appeal after appeals were filed against the High Court decision. A further application for leave to appeal on the striking out applications to the Federal Court was filed by TSDTR, BR, AH, OTA and DeTeAsia respectively and was also dismissed by the Federal Court on 31 March 2016.

9. Material Litigation (continued)

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

(b) Celcom Axiata Berhad (formerly known as Celcom (Malaysia) Berhad) ("Celcom") & Another vs TSDTR & 6 Others ("Conspiracy Suit") (continued)

Separately, Celcom and Celcom Resources have reached an amicable settlement with DLKY and the said companies have filed their respective notice of discontinuance with no order as to costs and without liberty to file afresh against DLKY on 6 March 2015.

On 23 June 2016, TSDTR and BR filed a statement of defence and counterclaim against Celcom and Celcom Resources for inter alia, RM6,246,492,000.00 or the alternative sum of RM7,214,909,224.01 pursuant to a global settlement in another suit ("TSDTR and BR's Counterclaim"). The High Court allowed Celcom and Celcom Resources' application to strike out the TSDTR and BR's Counterclaim. An appeal to the Court of Appeal was filed against this decision ("Striking Out Appeal").

On 4 May 2017, the Court of Appeal allowed TSDTR and BR's Striking Out Appeal and reinstated the Counterclaim.

In view of the reinstatement of TSDTR and BR's Counterclaim and the Court of Appeal decision in allowing Telekom Malaysia Berhad ("TM") to intervene in the Main Suit 2, TSDTR and BR filed an application to amend their Defence and Counterclaim ("Application to Amend") and to add Telekom Enterprise Sdn Bhd as party to the proceeding. The Application to Amend and joinder of Telekom Enterprise Sdn Bhd was however dismissed on 29 June 2017. TSDTR and BR filed an appeal against the said decision ("Amendment Appeal") and the Amendment Appeal was dismissed on 8 December 2017 with costs.

In the meantime, the following applications have been filed and pending disposal / disposed:

i. TSDTR and BR motion for stay of the Main Suit 2 pending disposal of the Amendment Appeal has been fixed for hearing on 22 August 2017 and stay of proceedings was allowed for the period of 2 months ("Stay of Proceedings");
ii. Application to set aside subpoena filed by TSDTR and BR's subpoenaed witnesses respectively ("Application to Set Aside Subpoena") was heard on 25 October 2017 whereby all applications to set aside subpoena were dismissed save for managing director of Khazanah, Tan Sri Azman bin Mokhtar. Solicitors for Celcom and Celcom Resources who represented Putri Noor Shariza ("PNS") and Ng Swee Kee ("NSK") (both solicitors from Shearn Delamore & Co. who represented Celcom and Celcom Resources at the material time) filed an appeal to the Court of Appeal ("Appeal") and the Appeal is fixed for hearing on 12 March 2018;
iii. Discussion between experts, appointed by Celcom and Celcom Resources and DeteAsia respectively to narrow down issues for trial has been completed and the statements for convergence and divergence was filed in Court.

In view of the Stay of Proceedings, the trial dates in September and October are vacated. Hence, the full trial for the Main Suit 2 and the Counterclaim started on 22 January 2018 and is still ongoing in the High Court.

9. Material Litigation (continued)

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

(c) Celcom & Another vs TSDTR & 8 Others ("Indemnity Suit")

On 28 April 2006, Celcom and Celcom Resources instituted a claim (i) against 9 of its former directors, alleging that they had breached their fiduciary duties by causing Celcom Resources to enter into a Subscription Agreement dated 25 June 1996 with Deutsche Telekom AG ("Subscription Agreement"), and Celcom and Celcom Resources to enter into the ARSA with TR International Ltd and DeTeAsia; and (ii) against TSDTR only, for alleged unauthorised profits made by him in connection with the abovementioned agreements ("Main Suit 3"). Celcom and Celcom Resources are seeking an indemnity from the directors for the sums paid by Celcom to DeTeAsia in satisfaction of the award against it, return of the alleged unauthorised profits by TSDTR amounting to RM446.0 million, all monies received by the directors arising out of such breaches, losses and damages in connection with the entry of Celcom and Celcom Resources into the Subscription Agreement and the ARSA.

Six of the defendants filed applications to strike out the Main Suit 3 but all the applications were dismissed by the High Court and thereafter, by the Court of Appeal after appeals were filed against the High Court decisions. Further applications for leave to appeal on the striking out applications to the Federal Court were filed by the 7 defendants and were also dismissed by the Federal Court on 31 March 2016.

Separately, Celcom and Celcom Resources have reached an amicable settlement with DLKY and the said companies have filed their respective notice of discontinuance with no order as to costs and without liberty to file afresh against DLKY on 6 March 2015.

On 23 June 2016, TSDTR and BR filed statement of defence and Counterclaim against Celcom and Celcom Resources for inter alia, RM6,246,492,000.00 or the alternative sum of RM7,214,909,224.01 pursuant to a global settlement in another suit ("TSDTR and BR's Counterclaim"). The High Court allowed Celcom and Celcom Resources' application to strike out the TSDTR and BR's Counterclaim. An Appeal to the Court of Appeal was filed against this decision ("Striking Out Appeal").

On 4 May 2017 the Court of Appeal allowed TSDTR and BR's Striking Out Appeal and reinstated the Counterclaim.

In view of the reinstatement of TSDTR and BR's Counterclaim and the Court of Appeal decision allowing Telekom Malaysia Berhad ("TM") to intervene in the Main Suit 3, TSDTR and BR filed an application to amend their Defence and Counterclaim ("Application to Amend") and to add Telekom Enterprise Sdn Bhd as party to the proceeding. The Application to Amend and joinder of Telekom Enterprise Sdn Bhd was however dismissed on 29 June 2017. On 24 July 2017, TSDTR and BR filed an appeal against the said decision ("Amendment Appeal") and the Amendment Appeal was dismissed on 8 December 2017 with costs.

9. Material Litigation (continued)

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

(c) Celcom & Another vs TSDTR & 8 Others ("Indemnity Suit") (continued)

In the meantime, the following applications have been filed and pending disposal / disposed:

i. TSDTR and BR motion for stay of the Main Suit 3 disposal of the Amendment Appeal has been fixed for hearing on 22 August 2017 and stay of proceedings was allowed for the period of 2 months ("Stay of Proceedings");

ii. Application to set aside subpoena filed by TSDTR and BR's subpoenaed witnesses respectively ("Application to Set Aside Subpoena") was heard on 25 October 2017 whereby all applications to set aside subpoena were dismissed save for managing director of Khazanah, Tan Sri Azman bin Mokhtar. Solicitors for Celcom and Celcom Resources who represented Putri Noor Shariza ("PNS") and Ng Swee Kee ("NSK") (both solicitors from Shearn Delamore & Co. who represented Celcom and Celcom Resources at the material time) filed an appeal to the Court of Appeal ("Appeal") and the Appeal is fixed for hearing on 12 March 2018;

iii. Discussion between experts, appointed by Celcom and Celcom Resources and DeteAsia to narrow down issues for trial has been completed and the statements of convergence and divergence was filed in Court.

In view of the Stay of Proceedings, the trial dates in September and October are vacated. Hence, the full trial for the Main Suit 3 and the Counterclaim started on 22 January 2018 and is still ongoing in the High Court.

10. Update on Memorandum of Understanding ("MOU") pursuant to paragraph 9.29, Chapter 9 of the Main LR

There is no MOU entered by the Group during the current quarter and financial year to date.

11. Other Disclosure Requirements under Appendix 9B of the Main LR

Other than those items disclosed in the statements of comprehensive income and notes in Part A of this announcement, there are no material impairment of receivables, inventories, gains/loss on disposal of investments, properties and assets during the current quarter and financial year to date.

12. Earnings Per Share ("EPS")

(a) Basic EPS

	4th Quarter Ended		Financial Year Ended	
	31/12/2017	31/12/2016	**31/12/2017**	31/12/2016
Profit attributable to owners of the Company (RM'000)	24,725	(309,496)	909,480	504,254
Adjusted weighted average number of shares ('000)	9,026,335	8,938,336	8,992,086	8,877,928
Basic EPS (sen)	**0.3**	(3.5)	**10.1**	5.7

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

(b) Diluted EPS

For the diluted EPS, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

	4th Quarter Ended		Financial Year Ended	
	31/12/2017	31/12/2016	**31/12/2017**	31/12/2016
Profit attributable to owners of the Company (RM'000)	24,725	(309,496)	909,480	504,254
Weighted average number of ordinary shares in issue ('000)	9,026,335	8,938,336	8,992,086	8,877,928
Adjusted for ESOS and RSA ('000)	37,192	33,500	35,344	36,642
Weighted average number of ordinary shares for the purpose of computing diluted EPS ('000)	9,063,527	8,971,836	9,027,430	8,914,570
Diluted EPS (sen)	**0.3**	(3.4)	**10.1**	5.7

13. Qualification of Preceding Audited Financial Statements

The 2016 Audited Financial Statements were not subject to any qualification.

14. Dividend Proposed

The Board of Directors have recommended tax exempt dividends under single tier system a final dividend of [3.5] sen (2016: 3 sen) per ordinary share of RM1 each of the Company ("Share") in respect of financial year ended 31 December 2017 ("Proposed Final Dividend") which is subject to the approval by the shareholders at the forthcoming Annual General Meeting ("AGM"). Full year dividend declared for the financial year ended 2017 is [8.5] sen (2016: 8 sen).

The Board of Directors also determined that the Company's DRS will apply the proposed Final Dividend, whereby shareholders will be given the option to elect to reinvest the whole or part of the dividend into new Shares of the Company. This will be subject to the approval of shareholders at our forthcoming AGM for the renewal of the authority for Directors of the Company to allot and issue the new Shares pursuant to the DRS, and the approval of Bursa Securities for the listing of and quotation for the new Shares to be issued pursuant to the DRS. The relevant application to Bursa Securities will be submitted in due course, and the decision of Bursa Securities as well as the Book Disclosure Date will be announced by the Company at a later date.

By Order of the Board

Suryani Hussein (LS0009277)
Secretary

Kuala Lumpur
22 February 2018