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AXIATA GROUP BERHAD

(242188-H)

(Incorporated in Malaysia under the Companies Act, 1965)

CIRCULAR TO SHAREHOLDERS IN RELATION TO PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The ordinary resolutions in respect of the proposal herein will be tabled at the Twenty First Annual General Meeting ("21st AGM") of Axiata Group Berhad ("Axiata"). Notice of the 21st AGM of Axiata and the proxy form for the same are incorporated in Axiata's Annual Report 2012, which is despatched together with this circular. The date, time and venue of the 21st AGM are as follows:

Date and time of the 21st AGM: Thursday, 23 May 2013 at 10.00 a.m. or at any adjournment thereof.

Venue: Grand Ballroom, 1st Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia

The Proxy Form for the 21st AGM should be completed and deposited at the office of our share registrar, Tricor Investor Services Sdn. Bhd., at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia on or before the following time and date:

Last day and time for deposit of proxy form: Tuesday, 21 May 2013 at 10.00 a.m.

This circular is dated 2 May 2013.

DEFINITIONS

In this circular, the following words and expressions shall bear the following meanings respectively, unless the context otherwise requires:

“Act”	:	Companies Act, 1965, as amended from time to time and includes any re-enactment thereof.
“AGM”	:	Annual General Meeting.
“Axiata” or “Company”	:	Axiata Group Berhad.
“Axiata Group” or “Group”	:	Axiata and its subsidiaries, collectively.
“Axiata Shares”	:	Ordinary shares of nominal value RM1.00 each in the capital of the Company.
“Board”	:	Board of Directors.
“Board Audit Committee”	:	The audit committee of the Board, as defined in section 2.6.
“Bursa Securities”	:	Bursa Malaysia Securities Berhad.
“Celcom”	:	Celcom Axiata Berhad, a wholly-owned subsidiary of Axiata.
“Celcom Group”	:	Celcom and its subsidiaries, collectively.
“Connected Person”, “Person Connected” or equivalent	:	In relation to a Director or Major Shareholder, means such person who falls under any one of the following categories: <ul style="list-style-type: none">(i) a family member of the Director or Major Shareholder;(ii) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the Director, Major Shareholder, or a family member of the Director or Major Shareholder, is the sole beneficiary;(iii) a partner of the Director, Major Shareholder, or a partner of a Connected Person to that Director or Major Shareholder;(iv) a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;(v) a person in accordance with whose directions, instructions or wishes the Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act;(vi) a body corporate which is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder; or

the directors of such body corporate who are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;

- (vii) a body corporate the directions, instructions or wishes of which the Director or Major Shareholder is accustomed or under an obligation, whether formal or informal, to act; or the directors of such body corporate the directions, instructions or wishes of which the Director or Major Shareholder is accustomed or under an obligation, whether formal or informal, to act;
- (viii) a body corporate in which the Director or Major Shareholder, and/or Connected Persons of such Director or Major Shareholder, are entitled to exercise, or control the exercise of, not less than 15% of the votes attached to voting shares in the body corporate; or
- (ix) a body corporate which is a related corporation of the Director or Major Shareholder.

- “Director” : A director of Axiata or its subsidiary (as the case may be) within the meaning given in section 2(1) of the Capital Markets and Services Act, 2007, and (in respect of any particular transaction) includes any person who is or was, within the six-month period preceding the date on which the terms of that transaction were agreed upon:
- (i) a director of Axiata or its subsidiary; or
 - (ii) a chief executive officer of Axiata or its subsidiary.
- “Khazanah Nasional” : Khazanah Nasional Berhad, a Major Shareholder of Axiata.
- “Main LR” : Main Market Listing Requirements of Bursa Securities, as amended from time to time.
- “LOA” : Limits of authority, as defined in section 2.6.
- “LPD” : 19 April 2013, being the latest practicable date prior to the printing of this Circular.
- “Major Shareholder” : A person who has an interest or interests in one or more voting shares in a corporation, and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:
- (i) 10% or more of the aggregate of the nominal amounts of all voting shares in the corporation; or
 - (ii) where such person is the largest shareholder of the corporation, 5% or more of the aggregate of

the nominal amounts of all voting shares in the corporation;

and for the purposes of the Proposed Shareholders' Mandate, and in respect of any particular transaction, includes any person who is or was, within the six-month period preceding the date on which the terms of that transaction were agreed upon, a Major Shareholder of Axiata or its subsidiary. For the purposes hereof, an interest in a share shall be determined by reference to section 6A of the Act.

“PN 12”	:	“PN 12” as defined in section 2.1.
“Proposed Shareholders' Mandate”	:	Proposed shareholders' mandate for RRPTs to be entered into by Axiata Group as described in section 2.4 and Appendix I.
“Related Party”	:	A Director, Major Shareholder, or Person Connected with such Director or Major Shareholder, and “Related Parties” shall be construed accordingly.
“Related Party Transaction”	:	A transaction entered into by Axiata or a subsidiary of Axiata which involves the interest, direct or indirect, of a Related Party.
“RRPT”	:	A Related Party Transaction which is recurrent, of a revenue or trading nature, and which is necessary for the day-to-day operations of a listed issuer and/or its subsidiaries, and “RRPTs” shall be construed accordingly.
“TM”	:	Telekom Malaysia Berhad.
“TM Group”	:	Telekom Malaysia and its subsidiaries, collectively.
“RM”	:	Ringgit Malaysia

All references in this circular to “we”, “us”, “our” and “ourselves” are to Axiata and, where the context requires, to Axiata and its subsidiaries collectively. All references to “you” in this circular are to the shareholders of Axiata.

In this circular, words importing the singular shall, where applicable, include the plural and vice versa and words importing any gender shall, where applicable, include all genders.

In this circular, all references to a person shall include a reference to corporations.

All references to time in this circular are references to Malaysian time, unless otherwise stated. References in this circular to the latest practicable date are to 19 April 2013, which was the latest practicable date prior to the printing of this circular. Unless otherwise expressly provided herein, references in this circular to sections and Appendices are to the relevant sections and appendices of and to this circular.

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AXIATA GROUP BERHAD

(242188-H)

(Incorporated in Malaysia under the Companies Act, 1965)

Registered office:

Level 5, Axiata Centre,
9, Jalan Stesen Sentral 5,
Kuala Lumpur Sentral,
50470 Kuala Lumpur,
Malaysia

2 May 2013

Directors:

Tan Sri Dato' Azman Hj Mokhtar (*Chairman, Non-Independent Non-Executive Director*)
Dato' Sri Jamaludin Ibrahim (*Managing Director, President and Group Chief Executive Officer*)
Tan Sri Ghazzali Sheikh Abdul Khalid (*Independent Non-Executive Director*)
Datuk Azzat Kamaludin (*Senior Independent Non-Executive Director*)
Dato' Abdul Rahman Ahmad (*Independent Non-Executive Director*)
David Lau Nai Pek (*Independent Non-Executive Director*)
Juan Villalonga Navarro (*Independent Non-Executive Director*)
Ann Almeida (*Independent Non-Executive Director*)
Kenneth Shen (*Non-Independent Non-Executive Director*)

Dear shareholder:

Proposed Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature

1. Introduction

At the last AGM held on 23 May 2012, we had obtained a mandate from our shareholders for us to enter into RRPTs with our Related Parties as set out in the Circular to Shareholders of the Company dated 30 April 2012. This shareholders' mandate shall, in accordance with the provisions of the Main LR, lapse at the conclusion of the forthcoming 21st AGM unless we, at that same 21st AGM, again procure a mandate from you for us to enter into RRPTs with our Related Parties. Your Board of Directors had, on 20 February 2013, announced that we will be seeking your approval for the Proposed Shareholders' Mandate, at the forthcoming 21st AGM.

The purpose of this Circular is to provide you with the relevant information on the Proposed Shareholders' Mandate and in relation thereto, to seek your approval for Ordinary Resolution 11 which is to be tabled as Special Business at the forthcoming 21st AGM. Notice of the 21st AGM of Axiata and the Form of Proxy are enclosed in our Annual Report 2012, together with which this Circular is despatched.

Please read and consider the contents of this Circular carefully before voting on the resolutions pertaining to the Proposed Shareholders' Mandate.

2. Details Of The Proposed Shareholders' Mandate

2.1 Provisions Of The Main LR

- (a) Paragraph 10.09(1), Part E, Chapter 10 of the Main LR provides, among others, that a listed issuer must immediately announce a RRPT in the event that:
- (i) the consideration, value of the assets, capital outlay or cost, of the RRPT is RM1 million or more; or
 - (ii) the percentage ratios of such RRPT is 1% or more;
- whichever is the higher.
- (b) Under paragraph 10.09(2) of the Main LR, a listed issuer may seek a mandate from its shareholders for RRPTs to be entered into by the listed issuer, subject to the following:
- (i) The transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public.
 - (ii) The shareholders' mandate is subject to annual renewal, and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year, where the aggregate value is equal to or exceeds the applicable prescribed threshold under paragraph 10.09(1) of the Main LR.
 - (iii) The listed issuer's circular to shareholders for the shareholders' mandate includes such information as may be prescribed by Bursa Securities.
 - (iv) In a meeting to obtain the shareholders' mandate:
 - (I) any director or major shareholder who has an interest, direct or indirect, in an RRPT that is subject to such mandate; and
 - (II) where a person connected with such director or major shareholder has an interest, direct or indirect, in an RRPT which is subject to such mandate, such director or major shareholder;must not vote on the resolution to approve the shareholders' mandate and the RRPTs. The interested director or interested major shareholder must also ensure that persons connected with it abstain from voting on the resolution approving the shareholders' mandate and the RRPTs.
 - (v) The listed issuer must immediately announce to Bursa Securities when the actual value of a RRPT entered into by the listed issuer exceeds the estimated value of the RRPT as disclosed in the circular by 10% or more, and must include such information as may be prescribed by Bursa Securities in its announcement.
- (c) In accordance with paragraph 3.1.4 of PN12 of the Main LR, our Proposed Shareholders' Mandate, if approved by you at the 21st AGM, is subject to annual renewal and shall only continue to be in force until:
- (i) the conclusion of our next AGM following the 21st AGM at which the Proposed Shareholders' Mandate was passed, at which time the authority will lapse, unless the authority is renewed by a resolution passed at this next AGM;

(ii) the expiration of the period within which our next AGM is required to be held under section 143(1) of the Act (but must not extend to such extension as may be allowed under section 143(2) of the Act); or

(iii) revoked or varied by resolution passed by you at a general meeting;

whichever is the earlier.

(d) Pursuant to paragraph 3.1.5 of PN 12, disclosure of the aggregate value of RRPTs conducted pursuant to the Proposed Shareholders' Mandate will be made in our next annual report, together with the breakdown of the aggregate value of the RRPTs made during the financial year, based on (among other things) the following:

(i) the type of RRPTs entered into; and

(ii) the identities of the Related Parties involved in each type of RRPTs entered into, and their relationship with us.

2.2 Our Principal Activities

The principal activities of the Group are the provision of mobile communication services and network transmission related services. The principal activities of the Company are investment holding and provision of technical and management services on an international scale, where it has investments in subsidiaries, jointly controlled entities and associates. The principal activities of the subsidiaries are mainly the provision of mobile communication services and network transmission related services.

2.3 Related Parties

The Proposed Shareholders' Mandate will apply to the following classes of Related Parties:

(a) our Major Shareholders and Connected Persons of our Major Shareholders; and

(b) our Directors and Connected Persons of our Directors.

2.4 RRPTs

The details of the RRPTs under the Proposed Shareholders' Mandate are described in Appendix I.

2.5 Details Of Overdue Trade Receivables

The details of our Company's and our subsidiaries' trade receivables pursuant to RRPT which exceeded the credit term for the following periods as at the end of the financial year ended 31 December 2012 are as set forth below:

Amount in RM('000)	Aging of the Outstanding Amount			
	< 1 year	1 < 3 years	3 < 5 years	> 5 years
<u>Revenue to Axiata Group</u>				
Interconnect payment from TM Group	5,403	0	0	0
Dark fibre and leased line from Celcom to FibrecommNetwork (M) Sdn. Bhd.	1,208	0	0	0
Leased-line from Celcom Group to Fiberail Sdn Bhd	716	0	0	0
Grand Total	7,327	0	0	0

There are no late payment charges on the overdue trade receivables as the Group has decided not to impose any late payment charges. The management of the Company has and will continue to meet and discuss with the relevant Related Parties to pursue for early settlement of the outstanding amounts due. The Board Audit Committee and the Board of Directors have reviewed the outstanding amounts, and are of the opinion that the outstanding amounts were part of normal business operations of the Group and are recoverable. In addition, the management is of the view that the Related Parties are long term business counter-parties and have sound credit standing.

2.6 Review Procedures For The RRPTs

To ensure that the RRPTs are undertaken on an arm's length basis, are on terms not more favourable to the Related Parties than those generally available to the public, and are not to the detriment of our minority shareholders, our Board Audit Committee has been tasked with the review and approval of such transactions.

Our Board Audit Committee currently comprises of David Lau Nai Pek (Chairman), Datuk Azzat Kamaludin, Juan Villalonga Navarro and Kenneth Shen.

We have established the following procedures and guidelines for the review and approval of RRPTs:

- (a) A list of Related Parties is established and made available to the chief financial officers or heads of the financial divisions (as the case may be) of each operating unit and subsidiary in our Group, who shall monitor and ensure that all RRPTs to be entered into by us or our subsidiary are required to be undertaken on an arm's length basis, on terms which are not more favourable to the Related Parties than those generally available to the public and which are not to the detriment of our minority shareholders.
- (b) Our operating units and our subsidiaries are made aware of the requirement to monitor, and shall put in place processes or systems to record and report on all RRPTs for compilation and reporting to our Group Finance division.
- (c) Our operating units and subsidiaries must ensure that proper records and supporting documents of the RRPTs are maintained so that all RRPTs entered into pursuant to the Proposed Shareholders' Mandate will be adequately disclosed.
- (d) The processes and procedures are in place to ensure RRPTs are entered into after taking into account the pricing and contract rates, terms and conditions, level of service and expertise required, and the quality of products and services provided, as compared with prevailing market prices and rates, industry norms and standards, as well as general practices, adopted by service providers of similar capacities and capabilities generally available in the open market.
- (e) Our annual internal audit plan shall incorporate a review of all RRPTs entered into or to be entered into under the Proposed Shareholders' Mandate, to ensure that all the relevant approvals for the RRPTs have been obtained, or that they are duly ratified, and the review procedures in respect of such transactions are adhered to.
- (f) All RRPTs must be reviewed by our internal auditor, and presented at Board Audit Committee meetings. Our Board Audit Committee has the right to access information concerning our Related Parties, and is entitled to the services of any independent adviser, if required, for the discharge of its duties.
- (g) Our Board Audit Committee shall review, on annual basis, the internal audit reports pertaining to the RRPTs to ascertain that the guidelines and procedures established to monitor the RRPTs have been complied with.

- (h) Our Board and Board Audit Committee have overall responsibility for determining whether the guidelines and procedures on the RRPTs are appropriate and sufficient. An annual review of the RRPT processes and procedures will be carried out by our Board through the Board Audit Committee. If, during the annual review, the Board and the Board Audit Committee are of the view that the RRPT processes and procedures are:
- (i) no longer valid; or
 - (ii) insufficient to ensure that the RRPTs are made on an arm's length basis or on terms not more favourable to the Related Parties than those generally available to the public and not to the detriment of our minority shareholders;

then, they shall have the discretion to discharge, vary, modify existing guidelines and procedures, or implement new or additional guidelines and procedures, without management's prior approval, provided that such amended, varied, modified, new or additional guidelines and procedures are no less stringent than the existing guidelines and procedures.

- (i) Where any of our Board or Board Audit Committee members has an interest (direct or indirect) in an RRPT, he must declare his interest in the RRPT and abstain from participating in the decision of the Board or Board Audit Committee on the said RRPT.

All transactions (including RRPTs) are subject to approvals based on our Group's LOA. The LOA, which have been duly approved by the respective boards of directors of our Group, contain the prescribed approval limits (including thresholds for board of directors' approvals) determined based on grounds of practicality from the business and/or operational viewpoint unique to Axiata Group. The threshold for the utilisation of the approved mandate is also subject to the LOA prior to the award of contracts in relation to the transactions contemplated under the Proposed Shareholders' Mandate.

Under normal circumstances, procurement is conducted in line with guidelines set by our Procurement Division, which would require comparisons of at least three quotations for the same, or substantially similar types of, products, services, and the same (or substantially similar) quantity of products or services, from third parties. However, given the nature and type of transactions that we enter into, in a number of occasions, it is not possible to find at least two other similar or contemporaneous transactions with unrelated third parties for similar products, services or quantities thereof which can be used as comparison to determine whether the prices and terms offered to or by Axiata by or to our Related Parties, as the case may be, are fair and reasonable and comparable to those offered to or by other unrelated parties.

In these instances, prices are determined based on market knowledge and on normal commercial terms in accordance with our Group policies, which require (among others) that transactions with Related Parties are undertaken on arms' length basis, are carried out on normal commercial terms and are not detrimental to the minority shareholders of Axiata.

Besides pricing, we also have a procurement policy that priority of, and/or selection of, vendors and/or suppliers are not based on pricing alone, but also on other intrinsic factors, such as quality and nature of goods or services, reliability, lead time and all other relevant business circumstances and considerations.

2.7 Statement By The Board Audit Committee

Our Board Audit Committee has seen and reviewed the procedures described in section 2.6 and is of the opinion that these procedures are adequate and sufficient to monitor, track and identify RRPTs in a timely and orderly manner, and to ensure that RRPTs are on an arm's length basis, are on terms that are not more favourable to the Related Parties than those generally available to the public, and are not to the detriment of our minority shareholders.

2.8 Rationale For And Benefits Of The Proposed Shareholders' Mandate

The RRPTs that have been entered into and that will be entered into by our Group are necessary for our business, and are intended to meet our business needs on the best possible terms.

We should be able to have access to all available markets, products and services provided by all vendors including Related Parties, and to provide products and services to all persons, including our Related Parties. This will enhance our ability to explore beneficial opportunities as well as to promote cross-selling which is beneficial to our Group.

The RRPTs are likely to continue in the future on a frequent and recurrent basis from time to time. In addition, these transactions may be constrained by the time-sensitive nature and confidentiality of such transactions, and it may be impractical to seek your prior approval on a case-by-case basis before entering into such transactions. The Proposed Shareholders' Mandate will, therefore, substantially reduce the expenses relating to the convening of general meetings on an ad hoc basis, and improve administrative efficiency.

The RRPTs are transactions in the ordinary course of our business, are made on an arm's length basis, are on terms not more favourable to the Related Parties than those generally available to the public, and are not to the detriment of our minority shareholders.

2.9 Major Shareholders' And Directors' Interests In The Proposed Shareholders' Mandate

Save for those disclosed below, none of our Major Shareholders and/or their Connected Persons, and/or Directors and/or their Connected Persons, has any interest, direct or indirect, in the Proposed Shareholders' Mandate. Their direct and indirect shareholdings in our Company, based on the Register of Substantial Shareholders as of the LPD are as set forth:

Interested parties	Direct		Indirect	
	Number of Axiata Shares	%	Number of Axiata Shares	%
Major Shareholders				
Khazanah Nasional	3,238,919,155	38.00	84,415,540 [±]	0.99

[±]Includes 2,278,461 Axiata Shares being the outstanding number of Axiata Shares to be returned to Khazanah Nasional under the Selling Flexibility Arrangement to facilitate the sale of Axiata Shares by Axiata's employees who have exercised their Axiata ESOS options. Khazanah is deemed to have interest in these Axiata Shares pursuant to Section 6A of the Act.

Khazanah, being a Major Shareholder of our Company, is deemed interested in the Proposed Shareholders' Mandate.

Our Directors, Tan Sri Dato' Azman Hj Mokhtar (who is also the Managing Director of Khazanah) and Kenneth Shen (Executive Director of Investment of Khazanah) (collectively referred to as the "Representative Directors"), are Khazanah's representatives on our Board and accordingly, have abstained and will continue to abstain from deliberating and voting on the Proposed Shareholders' Mandate at our Company's relevant Board meetings. None of the Representative Directors have any direct or indirect interest in the Company.

Khazanah and the Representative Directors will abstain from voting in respect of their direct and/or indirect shareholdings in our Company (if any) on the resolution pertaining to the Proposed Shareholders' Mandate to be tabled at our forthcoming AGM and have also undertaken to ensure that persons connected to them will abstain from voting in respect of their direct and/or indirect shareholdings in our Company (if any), deliberating or approving

the resolution pertaining to the Proposed Shareholders' Mandate to be tabled at our forthcoming AGM.

3. Effects Of The Proposed Shareholders' Mandate

The Proposed Shareholders' Mandate is not expected:

- (a) to have any effect on our issued and paid-up capital, on the shareholdings of our substantial shareholders; or
- (b) to have any material effect on our consolidated net assets or our consolidated earnings for the financial year ending 31 December 2013.

4. Approvals Required

The Proposed Shareholders' Mandate is subject to your approval at our forthcoming 21st AGM.

5. Directors' Recommendation

Our Board (save for Tan Sri Dato' Azman Hj. Mokhtar and Kenneth Shen, who have abstained from deliberation and voting in respect of the Proposed Shareholders' Mandate), having considered all aspects of the Proposed Shareholders' Mandate, is of the opinion that the Proposed Shareholders' Mandate is in the best interest of our Company and recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Shareholders' Mandate at our forthcoming AGM.

6. AGM

The resolution in respect of the Proposed Shareholders' Mandate will be tabled at the forthcoming AGM. Notice of the 21st AGM of the Company and the proxy form for the same are incorporated in our Annual Report 2012, with which this circular is despatched.

The 21st AGM will be held on Thursday, 23 May 2013 at 10.00 a.m. or at any adjournment, at Grand Ballroom, 1st Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia .

If you are unable to attend and vote in person at the AGM, please complete, execute and return the proxy form, in accordance with the instructions therein, to our share registrar Tricor Investor Services Sdn. Bhd. at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia as soon as possible and in any event not less than forty-eight hours before the time of the 21st AGM.

7. Further Information

Please refer to Appendix I and Appendix II for further information.

Yours faithfully,
For and on behalf of the Board of Directors of
AXIATA GROUP BERHAD

DATUK AZZAT KAMALUDIN
Senior Independent Non-Executive Director

Appendix I: Details Of RRPTs To Be Entered Into With Our Related Parties

Transacting Companies in our Group	Transacting Related Parties	Interested Major Shareholder/ Director	Nature of Relationship	Nature of RRPT	2012 Shareholders' Mandate		Estimated value of the Proposed Shareholders' Mandate (RM'000) ⁽²⁾	
					Estimated Value (RM' 000)	Actual Value (RM' 000) ⁽¹⁾		
Company and/or our subsidiaries ("Axiata Group")	TM and its subsidiaries ("TM Group")	Khazanah, Tan Sri Dato' Azman Hj Mokhtar and Kenneth Shen	In addition to Khazanah's shareholdings in our Company, Khazanah is also the Major Shareholder of TM. Tan Sri Dato' Azman Hj Mokhtar and Kenneth Shen are Khazanah's representatives on our Board.	Revenue Telecommunication and related services	Interconnect payment from TM Group Leased-line payment from TM Group Voice Over Internet Protocol related services revenue from TM Group Dark fibre and leased-line from Celcom Group to Fibrecomm Network (M) Sdn Bhd Leased-line from Celcom Group to Fiberail Sdn Bhd Transmission revenue on the services by Axiata Group to TM ⁽³⁾	65,500 8,550 19,800 1,900 1,200 0	62,542 2,260 2,826 887 146 0	62,000 3,100 23,550 1,300 500 2,000
				Non-telecommunication services Joint sales and marketing services from Celcom Group to TM Group ⁽⁴⁾		5,100	0	0

Transacting Companies in our Group	Transacting Related Parties	Interested Major Shareholder/ Director	Nature of Relationship	Nature of RRPT	2012 Shareholders' Mandate		Estimated value of the Proposed Shareholders' Mandate (RM'000) ⁽²⁾
					Estimated Value (RM' 000)	Actual Value (RM' 000) ⁽¹⁾	
Company and/or our subsidiaries ("Axiata Group")	TM and its subsidiaries ("TM Group")	Khazanah, Tan Sri Dato' Azman Hj Mokhtar and Kenneth Shen	In addition to Khazanah's shareholdings in our Company, Khazanah is also the Major Shareholder of TM. Tan Sri Dato' Azman Hj Mokhtar and Kenneth Shen are Khazanah's representatives on our Board.	Costs Telecommunication and related services			
				Interconnect cost to TM Group	65,100	48,385	63,500
				Voice Over Internet Protocol related services by TM Group to our Group	60,000	30,732	51,500
				Leased-line related costs to TM Group	90,000	39,315	36,040
				Provision of data and bandwidth related services by TM Group to our Group	83,000	43,232	98,000
				Internet access and broadband charges by TM Group to Celcom Group	5,100	1,362	1,800
				Commission on registration and collection to TM Group by Celcom Group	2,000	994	1,800
				Provision of contact centre and business process outsourcing services by VADS Berhad to our Group	90,000	63,351	98,000

Transacting Companies in our Group	Transacting Related Parties	Interested Major Shareholder/ Director	Nature of Relationship	Nature of RRPT	2012 Shareholders' Mandate		Estimated value of the Proposed Shareholders' Mandate (RM'000) ⁽²⁾
					Estimated Value (RM' 000)	Actual Value (RM' 000) ⁽¹⁾	
Company and/or our subsidiaries ("Axiata Group")	TM and its subsidiaries ("TM Group")	Khazanah, Tan Sri Dato' Azman Hj Mokhtar and Kenneth Shen	In addition to Khazanah's shareholdings in our Company, Khazanah is also the Major Shareholder of TM. Tan Sri Dato' Azman Hj Mokhtar and Kenneth Shen are Khazanah's representatives on our Board.	Leasing of fibre optic core and provision of bandwidth services from Fiberail Sdn Bhd to Celcom Group Purchase of dark fibre, bandwidth, space & facility from Fibrecomm Network (M) Sdn Bhd to Celcom Group Provision of information technology, human resources and other general office administrative support services by TM Group to Axiata Group ⁽⁵⁾	12,000	7,789	9,800
				Non-telecommunication services Site rental payable quarterly for telecommunication infrastructure, equipment and related charges by Celcom Group to TM Group Rental of office premises payable monthly by Axiata Group to TM	22,000	16,833	20,000
					250	433	0
					25,000	22,607	24,600
					16,000	13,344	15,000
				TOTAL	572,500	357,038	512,490

Notes:

- (1) The Actual Values represent RRPT transacted from 23 May 2012 on which the 2012 Shareholders' Mandate was granted, up to the 31 March 2013. The aggregate Actual Values transacted did not exceed the aggregated Estimated Values by 10% or more.
- (2) The estimated transactions from 23 May 2013 (date of our forthcoming AGM) for an estimated validity period of 1 year are based on best estimates by our management using historical trends and projected business transaction growth. The actual value may vary, exceed or be lower than, the estimates shown above.
- (3) This is a transaction in respect of which the Company is seeking for new RRPT shareholders' mandate.
- (4) Contracts and/or arrangements on joint sales and marketing services no longer involving related party(ies); particularly, the TM Group.
- (5) This has been reclassified and included under "Leased-line related costs to TM Group". The actual value for this transaction which has exceeded by more than 10% of the estimated value under the shareholders' mandate obtained at the last AGM is attributed to higher usage of fixed line services by Axiata Group due to a higher number of employees and additional projects being undertaken.

Appendix II: Further Information

1. Responsibility Statement

Our Directors have seen and approved this circular, and they collectively and individually accept full responsibility for the accuracy of the information contained in this circular. Our Directors confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, there are no false or misleading statements, or other facts which, if omitted, would make a statement in this circular false or misleading.

2. Material Contracts

Neither we nor any of our subsidiaries have entered into any contract outside the ordinary course of business which are or may be material during the two years immediately preceding the date of the Circular, save as follows:

A programme agreement dated 14 August 2012 was entered into between: (i) Celcom Transmission (M) Sdn. Bhd. (now known as Celcom Networks Sdn. Bhd.) (as issuer); (ii) the joint lead arrangers comprising CIMB Investment Bank Berhad and HSBC Amanah Malaysia Berhad; (iii) the joint lead managers comprising CIMB Investment Bank Berhad, HSBC Amanah Malaysia Berhad, and Maybank Investment Bank Berhad; and (iv) the facility agent being CIMB Investment Bank Berhad; whereby under the sukuk programme of up to RM5,000,000,000.00 ("Sukuk Murabahah Programme"), Celcom Transmission (M) Sdn. Bhd. may from time to time request the facility agent to implement an issuance of sukuk in accordance with the terms and conditions of the agreement.

The proceeds of the sukuk shall be utilised by Celcom Transmission (M) Sdn. Bhd. for the refinancing of existing debt (and payment of fees and expenses in connection therewith), the payment of fees and expenses in relation to the Sukuk Murabahah Programme, the funding of capital expenditure and working capital and other corporate and funding purposes, and to purchase commodities from commodities vendors in the commodity market through a commodity trading participant.

The programme agreement was entered into together with all relevant transaction documents dated 14 August 2012 and 29 August 2012 respectively.

3. Material Litigation

Save as disclosed below, neither our Company nor our subsidiaries are engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which has a material effect on the financial position or business of our Group and our Board is not aware of any proceedings pending or threatened against our Group or of any fact likely to give rise to any proceedings which may materially and adversely affect the financial position or business of our Group.

(a) **Celcom & Another vs Tan Sri Dato' Tajudin Ramli & 8 Others (Kuala Lumpur High Court (Commercial Division) Suit No. D5-22-610-2006)**

Pursuant to the Award by arbitral tribunal on 2 August 2005 which was decided in DeTeAsia Holding GmbH ("DeTeAsia")'s favour, Celcom and Technologies Resources Industries Berhad ("TRI") instituted proceedings against 9 of its former directors alleging that they had breached their fiduciary duties in entering into a subscription agreement on its behalf on 25 June 1996 with Deutsche Telekom AG ("Subscription Agreement"), and the Amended and Restated Supplemental Agreement dated 4 April 2002 ("ARSA") with DeTeAsia.

In addition, Celcom and TRI have also made a claim against Tan Sri Dato' Tajudin Ramli ("TSDTR") for alleged unauthorised profits made by him in connection with the execution of the abovementioned agreements. Celcom and TRI 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 TRI into the Subscription Agreement and the ARSA.

TSDTR and Dato' Bistaman bin Ramli ("BR") filed an application to strike out the proceedings. On 6 February 2009, the court dismissed their application with costs. TSDTR and BR filed an appeal to the Court of Appeal ("TSDTR's and BR's Appeal").

The German directors (namely, Dieter Sieber, Frank-Reinhard Bartsch, Joachim Gronau, Joerg Andreas Boy, Axel Hass ("AH") and Oliver Tim Axmann ("OTA")) have respectively applied to set aside the service and the issues of the proceedings on the basis that the issues had been litigated and decided on their merits based on the Award. The said applications were respectively dismissed by the High Court on 30 June 2010. On 14 July 2010, the German directors filed their respective notices of appeal to the Court of Appeal ("German Directors' Appeal").

TSDTR's and BR's Appeal and German Directors' Appeal were heard on 14 August 2012 and fixed for continued hearing on 28 November 2012. Nevertheless, the said continued hearing date was vacated by the Court of Appeal. The appeals are now fixed for hearing on 27 June 2013.

The proceedings in the High Court are presently fixed for mention on 8 July 2013 pending determination of the aforesaid appeals.

Celcom's solicitors are of the view that Celcom and TRI have reasonable prospects of successfully prosecuting these proceedings.

**(b) Rego Multi-Trades Sdn. Bhd. vs Aras Capital Sdn. Bhd. & TSDTR
(Kuala Lumpur High Court (Commercial Division) Civil Suit No. D2-22-1411-2005)**

In 2005, Rego Multi-Trades Sdn. Bhd. ("Rego"), a wholly-owned subsidiary of Celcom, commenced proceedings in the High Court against Aras Capital Sdn. Bhd. ("Aras Capital") and TSDTR for amounts due to Rego of RM261.80 million as at 30 November 2004 together with interest and cost.

TSDTR filed its defence and instituted a counterclaim against Rego, TRI and its directors. In the counterclaim, TSDTR seeks, inter alia: (i) a declaration that a letter of indemnity, an investment agreement and a supplemental agreement are void or alternatively are avoided; (ii) rescission of the letter of indemnity; (iii) the return of the sum of RM100,000,000.00 being the sum allegedly paid by TSDTR to Rego; and (iv) general, exemplary and aggravated damages to be assessed. The claim against Rego/TRI directors is for general, exemplary and aggravated damages to be assessed arising from a claim of alleged conspiracy.

Subsequently, Rego, TRI and the directors filed their respective applications to strike out TSDTR's counterclaim which were dismissed by the Court. The directors appealed and on 16 October 2012, the directors' appeal was dismissed.

On 17 April 2013, the parties had informed the Court of their respective intention to amend their respective pleadings. The hearing of this application to amend the pleadings is fixed for 13 May 2013.

Rego's solicitors are of the view that the prospect of Rego successfully prosecuting the claim and the defendants successfully defending the counterclaim are good.

**(c) Celcom & TRI vs TSDTR and 6 Others
(Kuala Lumpur High Court Suit No. D1-22-1960-2008)**

On 24 October 2008, Celcom and TRI filed a Writ of Summons and Statement of Claim against the former directors of Celcom/TRI, namely (i) TSDTR, (ii) BR, (iii) Dato' Lim Kheng Yew, (iv) AH, (v) OTA. In the Writ of Summons, Celcom and TRI also named DeTeAsia and Beringin Murni Sdn. Bhd. as co-defendants (collectively with the former directors referred to as "Defendants"). Celcom and TRI are seeking damages for conspiracy against all the defendants.

Celcom and TRI claim that the defendants wrongfully and unlawfully conspired with each other to injure Celcom and TRI by causing and/or committing them to enter into the Supplemental Agreement to the Subscription Agreement and the Management Agreement dated 7 February 2002 and the ARSA with DeTeAsia in consideration for the renunciation by DeTeAsia of certain rights issue shares in TRI in favour of TSDTR and BR. TSDTR and BR have filed an application to strike out the Writ of Summons.

On 17 July 2009, the Court dismissed TSDTR and BR's striking out application with costs. TSDTR and BR have filed an appeal to the Court of Appeal.

DeTeAsia, AH and OTA had filed their respective memorandum of conditional appearance and application to strike out these proceedings. On 25 October 2010, the Court dismissed the said application respectively and on 28 October 2010 AH, OTA and DeTeAsia filed their respective appeals to Court of Appeal against the High Court decision. The appeals were heard on 14 August 2012 and fixed for continued hearing on 28 November 2012 but the said continued hearing date was vacated by the Court of Appeal. The appeals are now fixed for hearing on 27 June 2013.

The proceedings in the High Court are presently fixed for mention on 8 July 2013 pending determination of the aforesaid appeals.

Celcom's and TRI's solicitors are of the view that Celcom and TRI have reasonable prospects of successfully prosecuting these proceedings.

(d) Access Promotion Contribution ("APC") of Multinet (Private) Limited ("Multinet")

Multinet has on 19 September 2011, initiated a legal suit against the Pakistan Telecommunication Authority ("PTA"), Federation of Pakistan, Ministry of Information Technology and Universal Service Fund (USF) Company to recover approximately PKR8 billion (approximately RM250,728,000.00) as actual damages for alleged illegal suspension of its license as well as the recovery of the past Access Promotion Charges ("APC") made by Multinet and a further punitive damages of PKR10 billion (approximately RM313,410,000.00).

The legal suit is still pending but is currently dormant as the PTA has ceased demanding for the disputed APC payments since the implementation of the International Clearing House Agreement on 30 August 2012 which is a multiparty agreement between the Ministry of Information Technology, PTA and 14 long distance operators (including Multinet).

Multinet and its solicitors strongly believe that the case will be decided in its favour.

(e) Claim on Robi Axiata Limited (“Robi”) by National Board of Revenue of Bangladesh (“NBR”)

The Large Tax Unit of the National Board of Revenue of Bangladesh, had issued a show cause letter dated 23 February 2012 to Robi. The letter alleged that Robi had evaded payment of supplementary duty and VAT levied on the issuance of a certain number of SIM cards to new customers of Robi by stating that the SIM cards were issued to replace SIM cards of Robi’s existing customers. The amount in question amounts to BDT6,549.94 million (which is equivalent to approximately RM245.20 million). The show cause letter accompanied a demand to pay the amount, if the response to the show cause letter is not satisfactory.

Robi subsequently filed a writ in the High Court of Bangladesh on 26 April 2012 to challenge NBR’s claim. The writ was heard by the High Court of Bangladesh on 2 May 2012. At the hearing, the High Court of Bangladesh granted Robi a stay of NBR’s claim for 2 months and ordered Robi to reply to NBR’s show cause letter within 10 days.

On 7 May 2012, NBR filed an application for Leave to Appeal to the Appellate Division of the Supreme Court of Bangladesh challenging the stay order of the High Court of Bangladesh. Chamber Judge of the High Court of Bangladesh heard the appeal on 8 May 2012 and rejected NBR’s appeal.

Robi has replied to NBR’s show cause letter on 10 May 2012 and is now waiting for NBR’s reply. The High Court of Bangladesh has granted extension of the stay order for a number of time and the next date for mention has been fixed on 24 April 2013.

Robi is of the view that it has a reasonably good prospect in this application.

4. Documents For Inspection

Copies of the following documents may be inspected at our registered office at Level 5, Axiata Centre, 9, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia during office hours, Mondays to Fridays (except public holidays), from the date of this circular up to and including the date of the 21st AGM:

- (a) our memorandum and articles of association;
- (b) our audited consolidated financial statements for the past two financial years ended 31 December 2011 and 2012;
- (c) the material contracts referred to in section 2 of Appendix II; and
- (d) the cause papers for the material litigation referred to in section 3 of Appendix II.