

AXIATA GROUP BERHAD (“AXIATA”) PROPOSED SUBSCRIPTION OF SHARES IN MEKONG TOWER COMPANY LIMITED

(Unless otherwise stated, the exchange rate of Laotian Kip (“LAK”) 1,000: Malaysian Ringgit (“RM”) 0.4750 being the exchange rate published by Bloomberg as at 11.00 a.m. on 29 January 2019 has been applied in this announcement for illustration purposes)

1.0 INTRODUCTION

We are pleased to announce that edotco Investments (Labuan) Limited (“**edotco Labuan**”), a wholly owned subsidiary of edotco Group Sdn Bhd, which in turn is a 63.0% subsidiary of Axiata, had on 29 January 2019 entered into a Share Subscription Agreement (“**SSA**”) with Mr. Viphet Sihachakr (“**VS**”) and Mekong Tower Company Limited (“**MTCL**”) for the subscription by edotco Labuan of 25,600 ordinary shares of LAK500,000 each representing 80.0% of the enlarged issued and paid-up share capital of MTCL for a total cash consideration of LAK12,800,000,000 (equivalent to RM6,080,000) (“**Consideration**”) (“**Proposed Subscription**”).

(edotco Labuan, VS and MTCL are collectively referred to as “**Parties**”)

2.0 INFORMATION ON EDOTCO LABUAN AND MTCL

2.1 edotco Labuan

edotco Labuan is a private company limited by shares incorporated in Labuan on 15 December 2014. The principal activity of edotco Labuan is investment holding company. The issued share capital of edotco Labuan is USD75,001,000.00 made up of 75,001,000 ordinary shares.

2.2 MTCL

MTCL (Enterprise Identification Number: 01-00021254 and Enterprise Registration Certificate Number : 0862/ERO dated 18 September 2018) was incorporated under the laws of the Laos on 17 November 2017. MTCL has an issued fully paid-up share capital consisting of 1,000 shares.

3.0 SALIENT TERMS OF THE PROPOSED SUBSCRIPTION

3.1 The Consideration will be funded through internally generated funds.

3.2 The SSA is subject to, amongst other, the following conditions precedent (“**Conditions**”):-

- i) Procurement of operating license or other form of authorisation from the Ministry of Post and Telecommunications of the Government of Laos to MTCL for the provision of infrastructure solutions for telecommunications and network operators in Laos;
- ii) Registration of MTCL with the Ministry of Industry and Commerce of the Government of Laos; and
- iii) Procurement by VS of viable business including relevant concessions and/or incentives in Laos.

Unless waived by the Parties, the Conditions must be satisfied by a date not later than 6 months from the date of the SSA or such later date as the Parties may agree.

4.0 RATIONALE FOR THE PROPOSED SUBSCRIPTION

The Proposed Subscription provides opportunities for edotco Group to expand into a new market and grow organically via build-to-suits and inorganically with sizeable sale-and-leaseback prospects. The Laos tower market is expected to undergo intense growth in tandem with a national drive towards 4G adoption, with an estimated demand of no less than 5,000 towers over the next 3 years, underscoring the need for an independent tower player to meet the requisite capex and cost optimisation burdens incumbent on local MNOs.

5.0 FINANCIAL EFFECTS

The Proposed Subscription will not have any impact on the issued share capital of Axiata and will not have any material impact on the earnings, gearings and net assets of the Axiata Group for the financial year ending 31 December 2019.

6.0 DIRECTORS AND MAJOR SHAREHOLDERS' INTEREST

None of the Directors and major shareholders of Axiata and/or persons connected to them have any interest direct and/or indirect in the Proposed Subscription.

This announcement is made pursuant to paragraph 9.19 (23) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

This announcement is dated 29 January 2019.