

**AXIATA GROUP BERHAD (“AXIATA”)
PROPOSED ACQUISITION OF TANJUNG DIGITAL SDN BHD**

1.0 INTRODUCTION

We are pleased to announce that edotco Malaysia Sdn Bhd (“**edotco MY**”), a wholly owned subsidiary of edotco Group Sdn Bhd, which in turn is a 63.0% subsidiary of Axiata, had on 4 May 2018 entered into a Sale and Purchase of Shares Agreement (“**SPA**”) with Utara Jernih Sdn Bhd (“**UJSB**”) and Mohd Azam bin Saad (“**MAS**”) for the acquisition of 80,002 ordinary shares (“**Sale Shares**”) representing 80.0% of the issued share capital of Tanjung Digital Sdn Bhd (“**TDSB**”) for a total cash consideration of RM140.0 million (“**Consideration**”) (“**Proposed Acquisition of TDSB**”).

(edotco MY, UJSB and MAS are collectively referred to as “**Parties**”)

2.0 INFORMATION ON EDOTCO MY, UJSB AND TDSB

2.1 edotco MY

edotco MY is a private company limited by shares incorporated in Malaysia on 20 December 1985. The principal activity of edotco MY is in the business of telecommunication infrastructure and services. The issued share capital of edotco MY is RM231,000,000 made up of 231,000,000 ordinary shares.

2.2 UJSB

UJSB is a private company limited by shares incorporated in Malaysia on 24 October 1994. The principal activity of UJSB is an investment holding company with an issued share capital of 250,000.00 comprising 250,000 ordinary shares.

2.4 TDSB

TDSB is a private company limited by shares incorporated in Malaysia on 5 April 2011. The issued share capital of TDSB is currently RM100,002 comprising 100,002 ordinary shares. In 2017, the State of Kedah has granted to TDSB the rights for the construction of telecommunication infrastructure in the state.

UJSB and MAS respectively holds 64.0% and 36.0% of TDSB.

TDSB’s wholly owned subsidiary, Yiked Bina Sdn Bhd (“**YBSB**”) is licensed under the Communications and Multimedia Act 1998 as a network facilities provider to engage in the business of construction and leasing or renting of telecommunication towers in Kedah.

3.0 SALIENT TERMS OF THE PROPOSED ACQUISITION OF TDSB

3.1 The Consideration will be funded through internally generated funds of which approximately RM25.0 million shall be for the Sale Shares and RM115.0 million for redemption of funding facility in TDSB.

3.2 The Sale Shares shall be purchased with all rights, title and interest free from all encumbrances and pre-emptive rights.

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

- i) Completion of legal, financial, tax and technical due diligence on TDSB and YBSB;
- ii) Entry by the Parties into a shareholders’ agreement to govern their relationship in TDSB; and
- iii) Receipt of the redemption of the abovementioned funding facility.

Unless waived by the Parties, the Conditions must be satisfied by a date not later than 2 months from the date of the SPA or such later date as the Parties may agree (“**Closing Date**”). The Consideration for the Sale Shares shall be adjusted taking into consideration the cash position and working capital requirements of TDSB on the date of closing.

The Proposed Acquisition of TDSB is expected to complete within the stipulated period for completion under the SPA.

4.0 RATIONALE FOR THE PROPOSED ACQUISITION OF TDSB

The transaction allows edotco MY to expand its presence in Kedah with a sizeable portfolio of approximately 225 towers. This opportunity is in line with edotco MY’s plans to scale up its operations in Malaysia especially with respect to the build to suit rights in Kedah. This puts edotco MY in a strong position to accelerate its tower build out and offer more access to customers.

5.0 FINANCIAL EFFECTS

The Proposed Acquisition of TDSB 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 2018.

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 Acquisition of TDSB.

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 4 May 2018.