

**PRICING SUPPLEMENT**

11 September 2012

**Axiata SPV2 Berhad**  
**Issue of CNY1,000,000,000 3.75 per cent. Sukuk due 2014 (the "Sukuk")**  
**under the U.S.\$1,500,000,000**  
**Sukuk Issuance Programme**

**PART A — CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 17 July 2012 (the "**Offering Circular**"). This Pricing Supplement contains the final terms of the Sukuk and must be read in conjunction with the Offering Circular.

Full information on the Trustee, Axiata and the Sukuk described herein is only available on the basis of a combination of this Pricing Supplement and the Offering Circular. The Offering Circular is available for viewing, subject to Clause 10.3.15 of the Master Declaration of Trust, during normal business hours at the registered office of the Trustee at Level 5, Axiata Centre, 9 Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Malaysia and at the specified office of the Paying Agent at Level 30, HSBC Main Building, 1 Queen's Road, Central, Hong Kong.

## DOCUMENTS INCORPORATED BY REFERENCE

For the purposes of the Sukuk, the Offering Circular should be read and construed in conjunction with the following:

- (a) the audited financial statements (including the auditors' report thereon and notes thereto) of the Group in respect of the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011 (set out on pages 156 to 287, pages 160 to 303, pages 160 to 290, respectively, of the 2009, 2010 and 2011 annual reports of Axiata);
- (b) the unaudited/(restated) consolidated interim financial statements of the Group in respect of the three months ended 31 March 2011 and 2012 (set out on pages 1 to 32 of the unaudited/(restated) consolidated results of the Group for the financial period ended 31 March 2011 and 2012);
- (c) the unaudited/(restated) consolidated interim financial statements of the Group in respect of the three months ended 30 June 2011 and 2012 (set out on pages 1 to 34 of the unaudited/(restated) consolidated results of the Group for the financial period ended 30 June 2011 and 2012); and
- (d) this Pricing Supplement,

each of which shall be deemed to be incorporated in, and to form part of, the Offering Circular and which, in the case of documents specified in paragraph (d) above, shall be deemed to modify or supersede the contents of the Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents. Copies of all such documents which are so deemed to be incorporated in, and to form part of, the Offering Circular will be available free of charge during usual business hours on any weekday (Saturdays and public holidays excepted) from the specified offices of the Paying Agents set out at the end of the Offering Circular. The documents, specified in items (a), (b) and (c) above will also be published by Axiata on its website ([www.axiata.com](http://www.axiata.com)). See "*General Information*" for a description of the financial statements currently published by the Group. None of the Arrangers, the Dealers or the Delegate accepts any responsibility for any of the information appearing on the website.

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|-----|---|---|
| 1.  | (i) Trustee:  | Axiata SPV2 Berhad  |
|     | (ii) Obligor:                                       | Axiata Group Berhad   |
| 2.  | Series Number:                                      | 1   |
| 3.  | Specified Currency:                                 | Chinese Yuan Renminbi ("CNY") being the lawful currency of the People's Republic of China |
| 4.  | Aggregate Face Amount of Series:                    | CNY1,000,000,000  |
| 5.  | Issue Price:  | 100 per cent. of the Aggregate Face Amount  |
| 6.  | (i) Specified Denominations:                        | CNY1,000,000 and integral multiples of CNY10,000 in excess thereof                        |
|     | (ii) Calculation Amount:                            | CNY10,000   |
| 7.  | Issue Date:   | 18 September 2012   |
| 8.  | (i) Return Accrual Commencement Date:               | 18 September 2012   |
|     | (ii) Scheduled Dissolution Date:                    | 18 September 2014   |
| 9.  | Periodic Distribution Amount Basis:                 | 3.75 per cent. Fixed Periodic Distribution Amount   |
| 10. | Dissolution Basis:                                  | Dissolution at par  |
| 11. | Change of Periodic Distribution Basis:              | Not Applicable  |
| 12. | Call Option:  | Not Applicable  |
| 13. | Date Board approval for issuance of Sukuk obtained: | 27 June 2012 in the case of the Trustee<br>23 May 2012 in the case of Axiata              |
| 14. | Listing:  | Singapore/Malaysia  |
| 15. | Method of distribution:                             | Syndicated  |

**PROVISIONS RELATING TO PERIODIC DISTRIBUTIONS PAYABLE**

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|-----|---|---|
| 16. | Fixed Periodic Distribution Provisions: | Applicable  |
|     | (i) Rate(s):                            | 3.75 per cent., per annum payable semi-annually in arrear                                 |
|     | (ii) Periodic Distribution Date(s):     | 18 March and 18 September in each year up to and including the Scheduled Dissolution Date |

(iii) Fixed Amount(s):	Not Applicable
(iv) Broken Amount(s):	Not Applicable
(v) Day Count Fraction:	Actual/365 (Fixed), being the actual number of days in the Return Accumulation Period in respect of which payment is being made divided by 365
(vi) Determination Date(s):	Not Applicable
(vii) Other terms relating to the method of calculating Fixed Periodic Distribution Amounts:	Not Applicable
17. Floating Periodic Distribution Provisions:	Not Applicable

#### **PROVISIONS RELATING TO DISSOLUTION**

18. Optional Dissolution Right:	Not Applicable
19. Change of Control Exercise Option:	Not Applicable
20. Final Dissolution Amount of each Sukuk:	CNY10,000 per Calculation Amount
21. Early Dissolution Amount (Tax) of each Sukuk (following early dissolution for tax reasons):	Final Dissolution Amount

#### **GENERAL PROVISIONS APPLICABLE TO THE CERTIFICATES**

22. Form of Sukuk:	Registered Sukuk  Global Certificate exchangeable for Sukuk in definitive registered form in the limited circumstances specified in the Global Certificate.
23. Additional Financial Centre(s) relating to payment:	Not applicable

#### **PROVISIONS IN RESPECT OF THE TRUST ASSETS**

24. Trust Assets:	Condition 6(b) ( <i>Trust — Trust Assets</i> ) applies
25. Portion of issuance proceeds to be used to purchase Commodities on the Issue Date:	Not Applicable
26. Portion of issuance proceeds to be used to purchase Shares on the Issue Date:	Not Applicable
27. Portion of issuance proceeds to be used to purchase Airtime Vouchers on the Issue Date:	100 per cent.
28. Portion of issuance proceeds to be used to purchase Lease Assets on the	Not Applicable

Issue Date:

29. (i) Details of Transaction Account: Transaction Account to be opened with The Hongkong and Shanghai Banking Corporation Limited and to be notified by the Paying Agent to Axiata
- (ii) Currency: CNY
30. Other Transaction Document Information:
- (i) Supplemental Declaration of Trust: Supplemental Declaration of Trust dated 18 September 2012 between the Trustee, Axiata and the Delegate
31. Other final terms: The provisions set out in Annex A shall be applicable to the Sukuk

#### DISTRIBUTION

32. (i) If syndicated, names and addresses of Managers:
- CIMB Bank (L) Limited**  
Level 6, Bangunan CIMB  
Jalan Semantan, Damansara Heights  
50490 Kuala Lumpur, Malaysia
- The Hongkong and Shanghai Banking Corporation Limited**  
Level 17, HSBC Main Building  
1 Queen's Road  
Central, Hong Kong
- Merrill Lynch (Singapore) Pte. Ltd.**  
50 Collyer Quay  
#14-01 OUE Bayfront,  
Singapore 049321
- (ii) Date of Relevant Agreement: 11 September 2012
- (iii) Stabilising Manager(s) (if any): The Hongkong and Shanghai Banking Corporation Limited
33. If non-syndicated, name of relevant Dealer: Not Applicable
34. Additional selling restrictions: Not Applicable

#### RATINGS

35. Ratings: The Sukuk to be issued have been rated:
- Moody's: Baa2
- Standard & Poor 's: BBB-

#### OPERATIONAL INFORMATION

36. (i) ISIN Code: XS0830203773
- (ii) Common Code: 083020377
- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s): Not Applicable
- (iv) Delivery: Delivery against payment

**OTHER INFORMATION**

37. Use of Proceeds by Axiata: General corporate purpose

## ADDITIONAL RISK FACTORS

*Prospective investors should read the entire Offering Circular together with this Pricing Supplement. Words and expressions defined in the "Terms and Conditions of the Sukuk" in the Offering Circular have the same meanings in this section. The following risk factors must be read in conjunction with, and are supplemental to, the "Risk Factors" section beginning on page 23 of the Offering Circular.*

*Each of the Trustee and Axiata believes that the following factors may affect its ability to fulfil its obligations relating to the Sukuk. Most of these factors are contingencies which may or may not occur and neither the Trustee nor Axiata is in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with the Sukuk are also described below.*

*Each of the Trustee and Axiata does not represent that the statements below regarding the risks of holding any Sukuk are exhaustive. Prospective investors should also read the detailed information set out elsewhere in the Offering Circular and the "Risk Factors" section beginning on page 23 of the Offering Circular and reach their own views prior to making any investment decision.*

The Sukuk are denominated in Chinese Yuan or Renminbi. The Sukuk contain particular risks for potential investors, including the risks below.

***Renminbi is not freely convertible and there are significant restrictions on the remittance of Renminbi into and outside the People's Republic of China ("PRC") which may adversely affect the liquidity of the Renminbi-denominated Sukuk***

Renminbi is not freely convertible at present. The government of the PRC (the "**PRC Government**") continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar, despite significant reduction in control by it in recent years over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items. Participating banks in Hong Kong have been permitted to engage in the settlement of current account trade transactions in Renminbi under a pilot scheme introduced in July 2009 which originally applied to approved pilot enterprises in five cities in the PRC. The pilot scheme was extended in August 2011 to cover the whole nation and to make the settlement of current account trade transactions in Renminbi available worldwide.

However, remittance of Renminbi by foreign investors into the PRC for purposes such as capital contributions, known as capital account items, is generally only permitted upon obtaining specific approvals from the relevant authorities on a case-by-case basis and subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items is developing gradually.

On 12 October 2011, the Ministry of Commerce of the PRC ("**MOFCOM**") promulgated the "Circular on Certain Issues Concerning Direct Investment Involving Cross-border Renminbi" (商務部關於跨境人民幣直接投資有關問題的通知) (the "**MOFCOM Circular**"). Pursuant to the MOFCOM Circular, the appropriate office of MOFCOM and/or its local counterparts were authorised to approve Renminbi foreign direct investments ("**FDI**") with certain exceptions based on, amongst others, the size and industry of the investment. The MOFCOM Circular also stipulates that the proceeds of FDI may not be used towards investment in securities, financial derivatives or entrustment loans in the PRC, except for investments in domestic companies listed in the PRC through private placements or share transfers by agreement.

On 13 October 2011, the People's Bank of China (the "**PBoC**") promulgated the "Administrative Measures on Renminbi Settlement of Foreign Direct Investment" (外商直接投資人民幣結算業務管理辦法) (the "**PBoC FDI Measures**") as part of the implementation of the PBoC's

detailed FDI accounts administration system. The system covers almost all aspects in relation to FDI, including capital injections, payments for the acquisition of PRC domestic enterprises, repatriation of dividends and other distributions, as well as Renminbi-denominated cross-border loans. On 14 June 2012, the PBoC further issued the implementing rules for the PBoC FDI Measures. Under the PBoC FDI Measures, special approval for FDI and shareholder loans from the PBoC, which was previously required, is no longer necessary. In some cases however, post-event filing with the PBoC is still necessary.

As the MOFCOM Circular and the PBoC FDI Measures are relatively new circulars, they will be subject to interpretation and application by the relevant authorities in the PRC.

There is no assurance that the PRC Government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that the pilot scheme introduced in July 2009 (as extended) will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Trustee to source Renminbi to finance its obligations under the Renminbi-denominated Sukuk.

***There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Renminbi-denominated Sukuk and the Trustee's or Axiata's ability to source Renminbi outside the PRC to service Renminbi-denominated Sukuk***

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. Since February 2004, in accordance with arrangements between the PRC Government and the Hong Kong government, licensed banks in Hong Kong may offer limited Renminbi-denominated banking services to Hong Kong residents and designated business customers. The PBoC has also established a Renminbi clearing and settlement mechanism for participating banks in Hong Kong. On 19 July 2010, further amendments were made to the Settlement Agreement on the Clearing of Renminbi Business (the "**Settlement Agreement**") between the PBoC and the Bank of China (Hong Kong) Limited as the Renminbi clearing bank (the "**Renminbi Clearing Bank**") to further expand the scope of Renminbi business for participating banks in Hong Kong. Pursuant to the revised arrangements, all corporations are allowed to open Renminbi accounts in Hong Kong, there is no longer any limit on the ability of corporations to convert Renminbi and there is no longer any restriction on the transfer of Renminbi funds between different accounts in Hong Kong.

However, the current size of Renminbi-denominated financial assets outside the PRC is limited. According to statistics published by the Hong Kong Monetary Authority (the "**HKMA**"), as of 31 July 2012, the total amount of Renminbi deposits held by institutions authorised to engage in Renminbi banking business in Hong Kong amounted to approximately RMB563,150 million<sup>1</sup>. In addition, participating authorised institutions are also required by the HKMA to maintain a total amount of Renminbi (in the form of cash, its settlement account balance and/or fiduciary account balance with the Renminbi Clearing Bank) of no less than 25 per cent. of their Renminbi deposits, which further limits the availability of Renminbi that participating banks can utilise for conversion services for their customers. Renminbi business participating banks do not have direct Renminbi liquidity support from the PBoC. They are only allowed to square their open positions with the Renminbi Clearing Bank after consolidating the Renminbi trade position of banks outside Hong Kong that are in the same bank group of the participating banks concerned with their own trade position, and the Renminbi Clearing Bank only has access to onshore liquidity support from the PBoC only for the purpose of squaring open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement, for individual customers of up to RMB20,000 per person per day and for the designated business customers relating to the Renminbi received in providing their services. The Renminbi Clearing Bank

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<sup>1</sup> Source: <http://www.hkma.gov.hk/eng/market-data-and-statistics/monthly-statistical-bulletin/table.shtml>



is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that no new PRC regulations will be promulgated or the Settlement Agreement will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Renminbi-denominated Sukuk. To the extent the Trustee or Axiata is required to source Renminbi outside the PRC to service the Renminbi-denominated Sukuk, there is no assurance that the Trustee or Axiata will be able to source such Renminbi on satisfactory terms, if at all.

***Investment in the Renminbi-denominated Sukuk is subject to exchange rate risk***

The value of Renminbi against the Hong Kong dollar and other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as many other factors. The Trustee will make all payments due under the Renminbi-denominated Sukuk in Renminbi unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the Hong Kong dollar or other foreign currencies, the value of the investment made by a holder of the Renminbi-denominated Sukuk in Hong Kong dollars or any other foreign currency terms will decline.

***Payments with respect to the Renminbi-denominated Sukuk may be made only in the manner designated in the Renminbi-denominated Sukuk***

All payments to investors in respect of the Renminbi-denominated Sukuk will be made solely (i) for so long as the Renminbi-denominated Sukuk are represented by the Global Certificate held with the common depository for Clearstream Banking *société anonyme* and Euroclear Bank SA/NV or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong or (ii) for so long as the Renminbi-denominated Sukuk are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. The Trustee cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).

***Gains on the transfer of the Renminbi-denominated Sukuk may become subject to income taxes under PRC tax laws***

Under the PRC Enterprise Income Tax Law and its implementation rules which took effect on 1 January 2008, any gain realised on the transfer of the Renminbi-denominated Sukuk by non-resident enterprise Sukukholders may be subject to enterprise income tax if such gain is regarded as income derived from sources within the PRC. However, there remains uncertainty as to whether the gain realised from the transfer of the Renminbi-denominated Sukuk would be treated as income derived from sources within the PRC and be subject to PRC tax. This will depend on how the PRC tax authorities interpret, apply or enforce the PRC Enterprise Income Tax Law and its implementation rules. According to the arrangement between the PRC and Hong Kong, residents of Hong Kong, including enterprise holders and individual holders, will not be subject to PRC tax on any capital gains derived from a sale or exchange of the Renminbi-denominated Sukuk.

Therefore, if non-resident enterprise Sukukholders are required to pay PRC income tax on gains on the transfer of the Renminbi-denominated Sukuk (such enterprise income tax is currently levied at the rate of 10 per cent. of the gross proceeds, unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-resident enterprise holders of the Renminbi-denominated Sukuk reside that reduces or exempts the relevant tax), the value of their investment in the Renminbi-denominated Sukuk may be materially and adversely affected.



## ANNEX A – MODIFICATIONS TO THE CONDITIONS

The Conditions shall be further modified as set forth below for the purposes of the Sukuk that are subject to these final terms:

(A) A new Condition 8(f) shall be inserted and apply to the Sukuk as follows:

### "8(f) Renminbi Currency Event

If a Renminbi Currency Event exists on a date for payment of any principal or profit (in whole or in part) in respect of the Sukuk, the Trustee's obligation to make a payment in Renminbi under the terms of the Sukuk may be replaced by an obligation to pay such amount (in whole or in part) in the Relevant Currency and converted using the Spot Rate for the relevant Determination Date as promptly notified to the Trustee and the Paying Agents. Upon the occurrence of a Renminbi Currency Event, the Trustee shall give not less than eight nor more than 30 calendar days' irrevocable notice to the Sukukholders in accordance with Condition 18 stating the occurrence of the Renminbi Currency Event, giving details thereof and the action proposed to be taken in relation thereto. In such event, any payment of U.S. dollars will be made by transfer to a U.S. dollar denominated account maintained by the payee with, or by a U.S. dollar denominated cheque drawn on, a bank in New York City.

For the purpose of this Condition 8(f) (*Renminbi Currency Event*)

"**Calculation Agent**" means The Hongkong and Shanghai Banking Corporation Limited;

"**CNY**" means the lawful currency of the PRC;

"**Determination Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong, Malaysia, London and New York City;

"**Determination Date**" means the day which is two Determination Business Days before the due date of the relevant payment under the Sukuk, other than where a Renminbi Currency Event has occurred at any time during the period from and including 10:01 a.m. (Local Time) on the second Determination Business Day preceding the original due date to and including 11:59 p.m. (Local Time) on the original due date, in which case the "Determination Date" will be the Determination Business Day immediately following the date on which the determination of the occurrence of a Renminbi Currency Event has been made;

"**Governmental Authority**" means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong;

"**Hong Kong**" means the Hong Kong Special Administrative Region of the People's Republic of China;

"**Local Time**" means the time of day in the jurisdiction in which the Calculation Agent, appointed in connection with that series of Sukuk, is located;

"**PRC**" means the People's Republic of China which, for the purpose of these Conditions, shall exclude Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan;

"**Relevant Currency**" means United States dollars or such other currency;

"**Renminbi Currency Events**" means any one of Renminbi Illiquidity, Renminbi Non-Transferability and Renminbi Inconvertibility;

**"Renminbi Illiquidity"** means the general Renminbi exchange market in Hong Kong becomes illiquid as a result of which the Trustee cannot obtain sufficient Renminbi in order to satisfy its obligation to pay profit or principal (in whole or in part) in respect of the Sukuk, as determined by the Trustee acting in good faith and in a commercially reasonable manner following consultation with two independent foreign exchange dealers of international repute active in the Renminbi exchange market in Hong Kong;

**"Renminbi Inconvertibility"** means the occurrence of any event that makes it impossible for the Trustee to convert any amount due in respect of the Sukuk into Renminbi in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Trustee to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after 18 September 2012 and it is impossible for the Trustee, due to an event beyond its control, to comply with such law, rule or regulation);

**"Renminbi Non-Transferability"** means the occurrence of any event that makes it impossible for the Trustee to deliver Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong (including where the Renminbi clearing and settlement system for participating banks in Hong Kong is disrupted or suspended), other than where such impossibility is due solely to the failure of the Trustee to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after 18 September 2012 and it is impossible for the Trustee, due to an event beyond its control, to comply with such law, rule or regulation); and

**"Spot Rate"** means the spot CNY/U.S.\$ exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Determination Business Days, as determined by the Calculation Agent at or around 11.00 a.m. (Local Time) on the Determination Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent shall determine the Spot Rate at or around 11:00 a.m. (Local Time) on the Determination Date as the most recently available CNY/U.S. dollar official fixing rate for settlement in two Determination Business Days reported by the State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 8(f) by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Trustee, the Agents and all Sukukholders."

## **PURPOSE OF THIS PRICING SUPPLEMENT**

This Pricing Supplement comprises the final terms required for the issue of the Sukuk described herein pursuant to the U.S.\$1,500,000,000 Sukuk Issuance Programme of Axiata SPV2 Berhad.

## **RESPONSIBILITY**

Each of the Trustee and Axiata accepts responsibility for the information contained in this Pricing Supplement.