

AXIATA GROUP BERHAD (“AXIATA”) ACQUISITION OF COLOMBO TRUST FINANCE PLC

(Unless otherwise stated, the exchange rate of Sri Lankan Rupees (“LKR”)100: Ringgit Malaysia (“RM”)2.75 being the middle rate prevailing as at 12.00 noon. on 12 September 2017 as published by Bank Negara Malaysia, has been applied in this announcement for illustration purposes)

1.0 INTRODUCTION

Following the notification by Dialog Axiata PLC (“**Dialog**”) to the Colombo Stock Exchange (“**CSE**”) today, we are pleased to announce that Dialog, a 83.32% subsidiary of Axiata Group Berhad (“**Axiata**”), has today acquired by way of stock trade crossing on the Colombo Stock Exchange (“**CSE**”), a total of 37,374,598 ordinary shares of Colombo Trust Finance PLC (“**CTF**”) (“**CTF Shares**”) from Cargills Bank Limited. The aforesaid shares represent 80.34% of the voting rights in CTF and was acquired at a price of LKR 28.70 per share totalling LKR 1,072,650,962.60 (equivalent to approximately RM29,487,174.96) (“**Acquisition of CTF**”).

2.0 INFORMATION OF DIALOG AND CTF

2.1 Dialog

Dialog was incorporated in August 1993 and commenced operations in 1995. The stated capital of Dialog is LKR 28,103,913,435.00 (equivalent to approximately RM772,576,580.33). Dialog operates Sri Lanka’s Leading Quad-Play Connectivity Provider. Dialog, listed on the CSE, supplements its market leading position in the mobile telecommunications sector with a robust footprint and market presence in Sri Lanka’s fixed telecommunications and digital television markets through its wholly owned subsidiaries; namely, Dialog Broadband Networks (Private) Limited and Dialog Television (Private) Limited. Dialog is Sri Lanka’s largest Foreign Direct Investor with investments totalling over USD 2.1 billion.

A winner of 6 Global Mobile Awards, Dialog has the distinction of being voted by Sri Lankan Consumers as the Telecom Service Provider of the Year for 6 years in succession at the SLIM-Nielsen People’s Choice Awards. Dialog was also voted by Sri Lankan consumers as the Internet Service Provider of the Year, and has topped Sri Lanka’s Corporate Accountability rankings for the past 6 years in succession and is an ISO 9001 certified company. Dialog has received numerous local and international awards including the National Quality Award and Sri Lanka Business Excellence Award.

Dialog has been at the forefront of innovation in the mobile industry in Sri Lanka since the late 90’s, propelling the nation’s mobile telephony infrastructure to a level of advancement on par with the developed world and delivers advanced mobile telephony and high speed mobile broadband services to a subscriber base in excess of 11.8 million Sri Lankans, via 2.5G and 3G/3.5G and 4G networks.

2.2 CTF

CTF (Company Registration No. PB 765 PQ) is a company listed in the CSE and a Licensed Finance Company registered under the Monetary Board of the Central Bank of Sri Lanka. Founded in 1981, CTF provides finance products and services covering fixed deposits, lease and hire purchase facilities, margin trading, mortgage loans, demand loans, revolving loans, cheque discounting, factoring, and other credit facilities. CTF was formerly known as Capital Alliance Finance PLC, and subsequently changed its name to CTF in December 2015.

3.0 MANDATORY OFFER

In compliance with Company Take-Overs and Mergers Code 1995 (amended 2003) of the Securities and Exchange Commission of Sri Lanka, a mandatory offer at a price of LKR 28.70 per share (equivalent to approximately RM0.79) will be made by Dialog to the remaining 9,144,645 CTF Shares (“**MO**”). An announcement will be made by Dialog to the CSE on the terms of the MO in due course.

4.0 RATIONALE

The Acquisition of CTF by Dialog will facilitate the expansion of the scope of operations of Dialog Group into the sphere of mainstream Digital Financial Services. Dialog aims to bring together the realms of advanced digital connectivity and cutting edge Financial Technology (FinTech) to deliver a revolutionary suite of products and services which will expand the vistas of financial inclusion in Sri Lanka.

Dialog entered the sphere of financial services in 2012 when it was licensed by the Central Bank of Sri Lanka (“**CBSL**”) to operate the country’s first Mobile Payment Service eZ Cash. Now in its fifth year of operation, eZ Cash has over the years secured over 2.8 million mobile payment subscribers from across Etisalat Hutch and Dialog Mobile Networks. In 2015, eZ Cash won the GSM World Award for the best Mobile Payment Network Globally in recognition of being the world's first end-to-end inter-operable mobile payment network. More recently, Brand Finance named eZ Cash as Sri Lanka’s highest valued e-commerce brand. Dialog also operates the TOUCH contactless transport payment service under license by the CBSL.

In addition to its Quad Play in telecommunications, Dialog operates several digital services businesses including Sri Lanka’s No. 1 e-commerce portal wow.lk. Dialog offers micro insurance services to over 2.5 million subscribers enabling affordable insurance services to bottom of the pyramid segments in partnership with licensed insurance partners.

5.0 SOURCES OF FUNDS

The Acquisition of CTF was funded through internal and external funding.

6.0 FINANCIAL EFFECTS

The Acquisition of CTF will not have any impact on the issued and paid up share capital of Axiata and will not have any material impact on the earnings, gearing and net assets of the Axiata Group for the financial year ending 31 December 2017.

7.0 APPROVAL OF SHAREHOLDERS

The Acquisition of CTF is not subject to the approval of the shareholders of Axiata.

8.0 DIRECTORS’ AND MAJOR/SUBSTANTIAL 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 Acquisition of CTF.

The notification on the Acquisition of CTF released by Dialog to CSE is provided below.

This announcement is dated 12 September 2017.