

MEDIA STATEMENT

Axiata Confirms Issue of Provisional Measures Order in Favour of Axiata UK and Ncell by Tribunal in BIT Arbitration

Kuala Lumpur, 19 December 2019: Axiata Group Berhad (“**Axiata**” or “**the Group**”) confirms that, in the arbitration proceedings commenced by Axiata Investments (UK) Limited (“**Axiata UK**”) and Ncell Private Limited (“**Ncell**”) against the Federal Democratic Republic of Nepal (“**Nepal**”) under the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Nepal for the Promotion and Protection of Investments dated 2 March 1993 (“**BIT Arbitration**”), the Tribunal has today granted Axiata UK and Ncell's application for provisional measures in large part and ordered that Nepal, its organs, agencies and officials, including the Large Taxpayers Office (“**LTPO**”) and the Inland Revenue Department (“**IRD**”), immediately be restrained from:

- taking any steps to enforce or otherwise give effect to the demand letter served by the LTPO against Ncell dated 6 December 2019 in which the LTPO demanded that Ncell pay NPR 22,445,397,955.05 in allegedly outstanding capital gains tax (“**CGT**”) (including interest and penalties) in connection with the sale by TeliaSonera Norway Nepal Holdings AS to Axiata UK of 100% of the share capital of Reynolds Holdings Limited in 2016 (the “**Transaction**”); and
- taking any steps which would alter the status quo between Axiata UK, Ncell and Nepal or aggravate the present dispute (together, the “**Provisional Measures Order**”).

Nepal and its agencies and officials (including the LTPO and the IRD) are obliged under international law to comply with the Provisional Measures Order. In the BIT Arbitration, Axiata UK and Ncell, will argue, among other things, that the act of imposing CGT in connection with the Transaction contravenes Nepal's international law obligations under the BIT.

Axiata UK and Ncell will seek remedies including restitution of sums already paid, a permanent injunction against further attempts to collect CGT from Ncell in connection with the Transaction and damages for all losses suffered in consequence of Nepal's unlawful conduct.

Axiata and Ncell have made significant contributions to the socio-economic development of Nepal. As the country's largest taxpayer, Ncell has contributed NPR 210.68 billion (USD 1.84 billion) in taxes as of last Fiscal Year FY 2018/2019 since its inception. Ncell, both directly and indirectly, supports 93,883 jobs and connects over 16.66 million customers across our networks. Under its Corporate Social Responsibility ambit, Ncell has invested more than NPR 700 million (USD 6.14 million) in various social projects identified as critical to the nation to include education, health, disaster management and environment. Axiata and Ncell remain fully committed to serving their customers in Nepal and will take all available actions to avoid any disruptions to services and operations in consequence of the dispute with the Government of Nepal.

- Ends -



About Axiata

As one of the leading telecommunications groups in Asia in pursuit of its vision to be the New Generation Digital Champion by 2022, Axiata has transformed itself from a holding entity with a portfolio of pure-play mobile assets into a Triple Core Strategy driven business focusing on Digital Telco, Digital Businesses and Infrastructure.

Within ASEAN and South Asia, the Group has controlling stakes in market-leading mobile and fixed operators in the region including 'Celcom' in Malaysia, 'XL' in Indonesia, 'Dialog' in Sri Lanka, 'Robi' in Bangladesh, 'Smart' in Cambodia and 'Ncell' in Nepal. Axiata is actively spearheading efforts to transform its mobile-centric operations into digital converged companies.

Axiata's digital businesses are focused on three verticals namely Digital Financial Services ('Boost'), Digital Advertising ('ada') and Digital Platform ('APIgate') in the global market.

'edotco', the Group's infrastructure company, operates in six countries to deliver telecommunications infrastructure services, amassing approximately 27,500 towers. Presently the 12th largest independent tower companies globally, it aims to be one of the top regional telecommunications tower companies and is committed to responsible and sustainable business operations.

As a committed and long-term investor, and in line with its sustainability goals, the Group actively supports and drives young talent development; disaster response and recovery; as well as green initiatives. Axiata's broader goal of Advancing Asia aims to piece together the best in the region in terms of innovation, connectivity and talent.

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