A. PROPOSED ACQUISITION OF TOUCH MINDSCAPE SDN BHD
B. ENTRY INTO MEMORANDUM OF UNDERSTANDING WITH TOUCH GROUP HOLDINGS SDN BHD

A. PROPOSED ACQUISITION OF TOUCH MINDSCAPE SDN BHD

1.0 INTRODUCTION

Axiata Group Berhad ("**Axiata**") is pleased to announce that edotco Malaysia Sdn Bhd ("**edotco Malaysia**"), a wholly owned subsidiary of edotco Group Sdn Bhd ("**edotco**") which in turn is a 63.0% owned subsidiary of Axiata, has today entered into a Share Sale Agreement ("**SSA**") with Touch Group Holdings Sdn Bhd ("**TGHSB**") for the acquisition of the entire issued and paid-up share capital of Touch Mindscape Sdn Bhd ("**TMs**") comprising 14,100,000 ordinary shares, and 10,900,000 preference shares held by TGHSB ("**Sale Shares**") for a total purchase consideration of RM1,700 million ("**Purchase Price**") ("**Proposed Acquisition of TMs Group**").

(edotco Malaysia and TGHSB are collectively referred to hereafter as "**Parties**")

2.0 INFORMATION OF THE PARTIES AND TMs GROUP

2.1 edotco Malaysia

edotco Malaysia (Company No. 198501016343 (148800-H) is a private limited company incorporated in Malaysia on 20 December 1985. The paid-up share capital of edotco Malaysia currently stands at RM231,000,000.00 divided into 231,000,000 ordinary shares. edotco Malaysia is principally involved in the provision of telecommunication infrastructure and services.

2.2 TGHSB

TGHSB (Company No. 200701028098 (786120-V)) is a private limited company incorporated in Malaysia on 27 August 2007. As at the date hereof, the paid-up share capital of TGHSB is RM4,100,000.00 divided into 4,100,000 ordinary shares. TGHSB is an investment holding company with business interests in telecommunication, agriculture, power, hospitality, property management, construction, tourism, food and beverage, security services and information, communication, and technology (ICT).

Directors and shareholders of TGHSB are as follows:-

Name	No. of Shares	%
Directors		
1. YM Raja Dato' Mufik Affandi bin Raja Khalid	-	-
2. YM Tengku Dato' Muhamad Mazlan bin Tengku Putera Zainal Abidin	-	-
3. YH Dato' Azman bin Omar (Group Managing Director)	-	-
Shareholder		
1. Shahzan House Sdn. Bhd.	2,050,000	50
2. TDM Resources Sdn. Bhd.	615,000	15
3. Best Eight Production Sdn. Bhd.	410,000	10
4. Regal Mountain Sdn Bhd	1,025,000	25
	4,100,000	**100**

2.3 **TMs Group**

TGHSB holds the entire Sale Shares in TMs, a private limited company incorporated in Malaysia on 8 August 2006; principally, involved in construction and leasing of telecommunication towers to mobile network operators. TMs also owns and operates fiber optic trunks for lease and as an ICT company providing comprehensive package of innovative technology solutions and services. It was awarded Network Facility Provider (1) (NFP-1), Network Service Provider (2) and Application Service Provider ASP (Class) in March 2008 covering Peninsular Malaysia.

As at the date hereof, TMs is the registered and beneficial owner of the shares of the following companies:-

i) 100% of Touch Mobile Sdn Bhd ("**TMSB**") with nature of business to provide support service activities (NEC). TMSB is currently, a non-operating entity;

ii) 80% of Touch Matrix Sdn Bhd ("**TMx**"), a licensed NFP-1 since 2005 with construction and lease of telecommunication towers as core business. TMx owns and operates telecommunication infrastructures in Pahang and is one of the leading providers of telecommunication infrastructures in Pahang and Malaysia; and

iii) 55% of Touch Mindscape (Melaka) Sdn Bhd ("**TMsM**"). TMsM operates as a project management company in Melaka and as telecommunication infrastructure contractor to Melaka ICT Holdings Sdn Bhd ("**MICTH**"). TMsM has signed a Project Management Agreement in 2013 ("**Project Management Agreement**") and in 2017, a Collaboration Agreement for 20 years until 2037 ("**Collaboration Agreement**") and Shareholders Agreement with MICTH ("**TMsM SHA**") to construct and maintain telecommunication structures in Melaka.

TMs is also in the process of acquiring:-

i) Remaining 20% of equity stake in TMx; and

ii) Up to 80% of the entire issued and paid-up capital of Shahzan Alam Muda Sdn Bhd ("**SAM**"), a Pahang State-Appointed One-Stop Agency ("**OSA Concession Agreement**") to process, coordinate and obtain approvals for telecommunication infrastructures in Pahang (with the remaining 20% equity stake to be held by TGHSB).

(TMs, TMSB, TMx, TMsM and SAM shall collectively be referred to as "**TMs Group**").

As of to-date, TMs Group's key assets and revenue-generating customer contracts portfolio comprise; inter-alia, the following:-

i) 923[1] tower structures comprising ground-based structures, special structures and roof tops with average of 2.6x co-lo ratio, a further 19 work-in-progress sites, and estimated customer orders reaching up to 1,000 tower structures. Most of these tower sites are being fiberised with fiber right-of-way arrangements (including that with Telekom Malaysia Berhad ("**TM**")) generating additional revenue from tower leasing customers of all key mobile network operators ("**MNOs**") and wireless broadband operators ("**WBO**");

ii) TMs Group also operates a comprehensive optical fiber network; including backbone trunks and last mile connections along Kuala Lumpur – Karak Highway, East-Coast Expressway, and Genting Sempah – Genting Highlands link;

iii) These tower and fiber assets are backed by various commercial collaboration agreements with all key MNOs and WBO (for tower leasing, dark-fiber leasing, and fiber right-of-way), TM (including Smart C-RAN, a base transceiver stations (BTS) hotel solution), Genting Malaysia Berhad, MTD Prime Sdn Bhd, and SEAX Malaysia Sdn Bhd;

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[1] As at September 2021

iv) In addition to these various collaborations, the licenses (including NFP-1 and NSP), and state concessions (for SAM), TMs Group was also appointed as 'Deployment Partner' for Perak for 20 years until 2038; and

v) An additional revenue of up to RM1.5 million per month, expected to be realised immediately in the next 3 to 6 months upon finalisation of the site audit.

3.0 DETAILS OF PROPOSED ACQUISITION OF TMs GROUP AND SALIENT TERMS OF SSA

3.1 Basis for Purchase Price[2], Adjustments and Termination

The Purchase Price for the Sale Shares is based on; inter-alia, enterprise value of TMs Group on a debt-free and cash-free basis, which will be disbursed as follows:-

i) After deductions of purchase price completion adjustments which include; inter-alia, customary completion adjustments including net debts and changes in working capital; and

ii) Sum of RM200,000,000.00 ("**Balance Purchase Price**") placed in escrow and pre-agreed portion to be released based on each deliverable attained by TGHSB ("**Conditions Subsequent**").

The Sale Shares shall be purchased with all businesses, rights, benefits and entitlements, together with all dividends and distributions and free from any encumbrances, pre-emptive rights, option or right of first refusal or any other security agreement, arrangement or interest having the same legal or economic effect as any of the foregoing.

The Parties may terminate the SSA in the event the defaulting Party fails to rectify such defaults within 30 days of receipt of Notice of Termination. Save for termination due to material adverse change, the non-defaulting Party shall be entitled to an amount equivalent to 10% of the Purchase Price. Following termination of the SSA, neither Party shall have any further obligations under the SSA except for antecedents breaches.

3.2 Conditions Precedent and Subsequent

The SSA is conditional upon; inter-alia, the following conditions being fulfilled by TGHSB unless satisfied or waived in accordance with the SSA or such extended date as may be mutually agreed by the Parties:-

- **Conditions Precedent - To be fulfilled within 6-months from the date of SSA ("CP Period")**

i) Provision of SAM's application to the State Government of Pahang to renew the OSA Concession Agreement for a period of no less than 15 years from 2023 on terms no less favourable than existing terms with documentary evidence of such submission;

ii) Execution of a call option agreement between TMs and TGHSB for the grant of a call option by TGHSB over the 20% issued and paid-up share capital held by it in SAM for an exercise price at a nominal sum, exercisable by TMs at any time after the Completion Date (as defined below), on terms acceptable to edotco Malaysia;

iii) Written consents from the relevant shareholder(s) of TMsM in respect of proposed change of shareholder of TMs as contemplated under the SSA to TMsM SHA;

iv) Submission of written notification to relevant state authorities on the change of TMs Group Board of Directors and/or composition of its shareholders; and

v) In relation to financing facilities of TMs Group, receipt of no objection confirmation from its lenders.

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[2] The above represents unique strategic value proposition of the underlying assets, growth prospects, together with synergy and upsides when combined with edotco Group's existing assets and operations, as well as larger collaboration opportunities with Axiata, this deal is well within market benchmarks of precedent transactions in Malaysia and in the region.

Non-fulfilment of Conditions Precedent within the expiry of the CP Period or any further extended period will cause the SSA to lapse and deemed null and void and of no further effect and neither Party hereto shall have any claim against each other for costs, damages, compensation or otherwise, save for any antecedent breach of the terms of the SSA.

- **Conditions Subsequent - To be fulfilled within 12 months from the unconditional date of the SSA ("Completion Date") ("CS Period")**

i) Written consent from MICTH for the change of shareholder of TMs as contemplated under this Agreement pursuant to TMsM SHA;

ii) Written consent from Perbadanan Kemajuan Negeri Melaka for a change in TMsM's Board of Directors and/or composition of its shareholders;

iii) In respect of TMsM, inter-alia, execution of a new agreement with MICTH in respect of the sites currently governed under Project Management Agreement and Collaboration Agreement on terms no less favourable than existing terms of the Collaboration Agreement;

iv) Procure and deliver to edotco Malaysia formalisation of all authorised work orders for sites located in Negeri Sembilan; and

v) Execution of renewal to the OSA Concession Agreement or a new one stop agency agreement with the State Government of Pahang replacing existing OSA Concession Agreement, on terms no less favourable, for a term of no less than 15 years from 2023.

The Parties irrevocably agree that if any of the Conditions Subsequent are not fulfilled upon the expiry of the CS Period or extended period, sole recourse for edotco Malaysia would be the release of the remaining Balance Purchase Price and thereafter, neither Party hereto shall have any further claim against each other for costs, damages, compensation or otherwise, arising from the non-fulfilment of the Condition(s) Subsequent.

3.3 Source of Funding

The Proposed Acquisition of TMs Group will be funded with a combination of both internally generated funds and external funding.

Save for the Purchase Price and any liabilities arising as a consequence of consolidating TMs Group as a subsidiary of Axiata, Axiata will not be assuming any liabilities pursuant to the Proposed Acquisition of TMs Group. No financial commitments are also required by Axiata to finance the operations of TMs Group.

4.0 RATIONALE FOR THE PROPOSED ACQUISITION OF TMs GROUP

Rationale for the Proposed Acquisition of TMs Group are as follows:-

i) Scarcity of Scale Portfolios in Malaysia for Inorganic Growth

edotco Malaysia owns and operates approximately 4,700 towers and manages a further 12,000 towers. The Proposed Acquisition of TMs Group adds about 1,000 owned and operated towers (including build-to-suit customer orders for around 60 tower sites to be formalised). Other than captive towers held by MNOs, only a handful of sizeable tower portfolios are still available for potential acquisitions, with less than a handful of such within the scale closer to that of TMs Group.

ii) Cement Home Market Leadership

The Proposed Acquisition of TMs Group will cement edotco Malaysia home market leadership position. As the largest independent tower company in Malaysia (where the market is estimated to have around 23,000 tower structures), this transaction allows edotco Malaysia to increase its tower market share from 21% to 25%.

iii) Complementary to Presence in the States of Pahang, Negeri Sembilan and Melaka

Allows edotco to significantly scale up its existing portfolio via organic and/or inorganic expansion of additional towers and/or tenants in these 3 states, complementary to edotco Malaysia's existing footprint with very limited overlap. The towers in these states also come at very high colocation ratios of 2.4x (Pahang), 3.6x (Negeri Sembilan), and 3.3x (Melaka). Furthermore, the tower portfolio includes towers in key strategic locations of Kuala Lumpur and Putrajaya, and a few in Perak and Kedah.

iv) High Quality Attractive Tower and Tenancy Portfolio

Over 89% of the towers are ground-based structures of over 35 metre height that are highly attractive for co-locations. The average age profile of the portfolio is also attractive with around 30% of the towers built within the last 5 years. The tower portfolio includes over 1,900 tenancies from the Tier-I MNO namely Celcom, Digi, Maxis, and UMobile. The overall tenancy ratio of the portfolio stands at about 2.6x.

v) Fiber Assets and Fiber Contracts to Fast-Track Product Diversification

Securing a strategic fiber network which is crucial in further future proofing edotco Malaysia's tower infrastructure portfolio.

Most of the tower sites are being fiberised with fiber right-of-way and/or dark fiber arrangements generating additional revenue streams from tower leasing customers. TMs Group also operates a comprehensive optical fiber network (including the backbone trunks and last mile connections along Kuala Lumpur – Karak Highway, East-Coast Expressway, and Genting Sempah – Genting Highlands link). In addition, in Putrajaya, Smart C-RAN (a BTS hotel solution for fiber fronthauling) is also in operation.

vi) Ability to Create Synergies and Upsides

Operational synergies when combined with edotco's existing tower portfolio in these states will help create significant potential synergies and upsides to edotco Malaysia, including through CAPEX, operation and maintenance optimisation.

5.0 MARKET OVERVIEW AND FUTURE PROSPECTS

5.1 Overview of Malaysia Economy

Malaysia is a developing economy located in South-East Asia with a population of over 30 million. Malaysia's economy is around USD371 billion which is made of services, manufacturing, agriculture, mining and construction. The services sector accounts for 58% of the Gross Domestic Product ("**GDP**") in 2020. Malaysia's GDP declined by 5.6% in 2020 and is expected to expand by 3% to 4% in 2021.

For 2021, the Malaysian economy remains on track to achieve the projected growth. The recent gradual relaxations for reopening of more economic sectors, along with higher adaptability of firms to the new operating environment and continued policy support have partly mitigated the impact of nationwide containment measures in the third quarter of 2021. Some key infrastructure projects and investments include operationalization of PFLNG2 facility (natural gas), digital infrastructure investment under JENDELA (digital economy) and continuation of large infrastructure projects for highways and rail such as Pan Borneo Highways, LRT3 and Johor-Singapore RTS.

Going into 2022, the growth momentum is expected to further expand. The economy would benefit from an increase in global demand, higher private sector expenditure in accordance with the resumption of economic activity and continued policy support.

(Source: Bank Negara Malaysia)

5.2 Market : Positive Outlook on Malaysia Telecom and Tower Market

Currently, there are 4 dominant and 2 smaller MNOs in the Malaysian mobile market. Celcom, Digi, Maxis and UMobile makes up 91% of the Telco market share in Malaysia, each with subscriber base between 7-12 million customers. Malaysia has a total of approximately 40 million mobile subscribers with mobile broadband penetration at 120%. The pandemic has driven mobile data consumption to grow by 60% from 15GB to 24GB per user from 4Q19 to 2Q21. In order serving the increasing demand, MNOs have improved their networks by deploying more 4G sites for coverage and capacity purposes and will continue to expand their networks over the next few years. In addition, Malaysia will be rolling out its 5G network in 2021 and aims to achieve 80% population coverage by end of 2024.

Malaysia towerco market is a mix of MNO-own towers and Independent Tower Companies (ITC) that makes up the ~27,000 towers today. ITC owns an estimated 47% of the market share while majority are still owned by MNOs. Malaysia has seen an increased in tower count between 5% - 5.5% CAGR over the last 4 years. In anticipation of the 5G rollout and 4G densification, it is expected that demand for telecommunication infrastructure; namely, tower and fiber will continue to grow.

(Source: GSMA Intelligence; edotco; Ministry of Finance, MCMC)

5.3 Prospects for Axiata post the Proposed Acquisition of TMs Group

Axiata expects that, upon the completion of the Proposed Acquisition of TMs Group, it will further strengthen its position within the tower infrastructure industry in Malaysia whilst also position itself better to capitalise on the growth in fiber infrastructure demand.

Based on the potential prospects of the telecommunications market in Malaysia, the Board is of the opinion that the Proposed Acquisition of TMs Group is expected to contribute positively to the future earnings of Axiata and support its long-term strategies and objectives, hence enhancing shareholder value in the future.

6.0 RISK FACTORS OF THE PROPOSED ACQUISITION OF TMs GROUP

The following are risk identified; not exhaustive, in relation to the Proposed Acquisition of TMs Group:-

i) Investment Risk

There is no assurance that the anticipated benefits of the Proposed Acquisition of TMs Group will be realised or that Axiata will be able to generate sufficient returns from this investment to offset the investments costs. Save for existing sites governed under current long term contracts, there is also no assurance that the expected financial performance could be achieved post-completion.

ii) Completion and Subsequent Risks

The completion of the Proposed Acquisition of TMs Group is conditional upon Conditions Precedent under the SSA including those set out in section 3.0 above being fulfilled or waived. There can be no assurance that such conditions will be fulfilled or waived within the timeframe stipulated in the SSA. Nevertheless, it is anticipated that these risks including inherent risks under Conditions Subsequent can be mitigated by proactively engaging with the relevant third parties to obtain all the necessary approvals, consents, no objections and documents required within the timeframe stipulated in the SSA. Inherent risks for deliverables under Conditions Subsequent further mitigated via the escrow arrangement with TGHSB.

iii) Political, Economic and Regulatory Conditions

The performance of TMs Group could be materially impacted by the changes in the political, economic and regulatory conditions in Malaysia and/or relevant states in Malaysia. The various political, economic and regulatory conditions could range from changes in political leadership, introduction of new regulations, economic downturn and changes in interest rates.

iv) Changes in Telecommunications Market Landscape

The telecommunications industry is subject to rapid and ongoing changes to its market landscape. Emerging and future technological changes may adversely affect the viability or competitiveness of TMs Group's business. There is no assurance that TMs Group will be successful in responding in a timely and cost-effective way to such developments. If TMs Group is unable to modify or modernise its infrastructure services or product offering to remain competitive, such developments could have a material adverse effect on its business and financial condition.

There are also possibilities of new entrants and/or new players entering into the market in the future that may cause a reduction of TMs Group's market share affecting its financial performance.

v) Regulations and Licenses

The operations of telecommunications infrastructure businesses and provision of related services in various states of Malaysia are subject to certain approvals, licences, concessions, registrations and permissions granted by the Malaysian Government, various state governments in Malaysia, Local Authorities and the MCMC. Changes in laws, regulations or government policy in Malaysia or in relation to the licences to the telecommunications infrastructure industry in Malaysia or in relation to the licences held by TMs Group or its competitors, could adversely affect TMs Group's businesses.

Any breach by TMs Group of terms and conditions of its approvals, licences, concessions, registrations and permissions or failure to comply with the applicable regulations on TMs Group's part may result in penalties or licences being suspended or revoked by the MCMC, various state governments, or Government of Malaysia. Any revocation or unfavourable amendments to the terms of, or conditions imposed on, the licences, failure to renew them on comparable terms in a timely manner could have a material adverse effect on TMs Group's businesses and performance in their existing and new provinces.

vi) Technological Risks

5G technology deployment in Malaysia is relied on a single-network (owned and operated by Digital National Berhad) which in turn plans to resell bandwidth capacity on a wholesale model. This reduces individual MNO driven tenancy and/or additional loading growth to monetise existing tower infrastructure that is being acquired.

Increased active network sharing among MNOs in Malaysia and/or mobile network consolidation will potentially reduce the need for additional active equipment on telecommunication towers. Continued growth of such trends and future technological changes may adversely affect the profitability or competitiveness of TMs Group. This may have additional financial implications for TMs Group as it may need to increase its capital expenditure to implement new telecommunications infrastructure technologies at a faster rate than previously planned to better its service offerings such as small cells deployment. Additionally, new emerging connectivity technologies developed by technology developers globally may also present potential competition.

vii) Regulations on State Level Investments

The Proposed Acquisition of TMs Group will be subject to relevant state level approvals and/or consents from each state it operates passive infrastructure in Malaysia, including Pahang, Negeri Sembilan, Melaka, Perak, Kedah, and Wilayah Persekutuan Kuala Lumpur and Putrajaya.

viii) Integration Risks

One of the key drivers for the Proposed Acquisition of TMs Group is synergistic benefits that are expected to be derived from the combination of edotco Malaysia and TMs Group. Upon completion of the Proposed Acquisition of TMs Group, the existing business functions and processes, systems and personnel may be integrated into one single operation. There can be no assurance that:-

a) The operations and internal policies can be integrated and unified successfully without any material provisions made; and

b) Key employees and management of both TMs Group and edotco Malaysia will remain in the enlarged edotco Group and will remain focused on the implementation and integration phase of the Proposed Acquisition of TMs Group and other key integration related issues.

7.0 FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION OF TMs GROUP

7.1 Issued and Paid-Up Share Capital and Substantial Shareholders' Shareholdings

The Proposed Acquisition of TMs Group is not expected to have any effect on Axiata's issued and paid-up share capital and/or substantial shareholders' shareholding in Axiata as it does not involve any issuance of ordinary shares in Axiata.

7.2 Net Asset ("NA"), NA per Share and Gearing

For illustrative purposes only, based on the latest audited consolidated statements of financial position of Axiata as at FYE 31 December 2020 and on the assumption that the Proposed Acquisition of TMs Group ("**Proposed Acquisition**") had been completed on that date, the pro forma effects of the Subsequent Event as stated in Note 7.2(1) and Proposed Acquisition on the NA and gearing of the Axiata are as follows:

	Audited as at 31 December 2020	**(1)After the Subsequent Event**	**After the Proposed Acquisition**
	RM'000	**RM'000**	**RM'000**
Share capital	13,883,028	13,883,028	13,883,028
Retained earnings(2)	6,582,821	6,677,090	6,676,019
Reserves	(2,824,707)	(2,765,886)	(2,765,886)
Total equity attributable to owners of the Company	**17,641,142**	**17,794,232**	**17,793,161**
Non-controlling interests (6),(7) and (8)	6,238,288	6,507,178	6,550,487
Total equity	**23,879,430**	**24,301,410**	**24,343,648**
No. of Axiata Shares in issue ('000)	9,169,541	9,169,541	9,169,541
NA per Axiata Share (RM)(3)	1.92	1.94	1.94
Total interest-bearing borrowings (including lease liabilities)(4),(6)	27,374,035	27,374,035	28,944,613
Gearing (times)(5)	1.15	1.13	1.19

Notes:

(1) After taking into account the disposal of 533,409,349 ordinary shares in PT XL Axiata Tbk. ("XL") representing 5.00% effective equity interest in XL at a disposal consideration of IDR1,440,205 million (RM422.0 million) to Ferrymount Investments Limited, which was completed on 27 October 2021. Upon completion of the disposal, Axiata's effective shareholding in XL reduced from 66.48% to 61.48%. An exchange rate of IDR 100.00: RM 0.0293, being the middle rate prevailing at 5.00 p.m. on 27 October 2021 as published by BNM was used to illustrate the proforma effect of the Subsequent Event.

(2) Includes estimated gross transaction costs relating to the Proposed Acquisition of RM1.7 million.

(3) Computed based on total equity attributable to owners of Axiata divided by number of shares of Axiata in issue.

(4) Assuming external borrowings of RM1.45 billion to finance the Proposed Acquisition.

(5) Calculated based on total interest-bearing borrowings (including lease liabilities) divided by total equity as at 31 December 2020.

(6) Subject to changes due to the adoption of Malaysian Financial Reporting Standards ("MFRS") and alignment to Axiata's accounting policies by TMs Group. TMs Group currently adopt Malaysian Private Entities Reporting Standards accounting standards ("MPERS").

(7) Subject to changes due to goodwill and finalisation of purchase price allocation ("PPA") exercise. The final determination of the PPA will be based on established fair value of the assets acquired, including the fair value of the identifiable intangible assets, liabilities assumed as of the acquisition date, in accordance with MFRS 3 Business Combinations. The excess of the purchase price over the fair value of the NA acquired is allocated to goodwill, or vice versa be reflected as discount on acquisition. In accordance with paragraph 45 of MFRS 3 Business Combinations, the acquirer has measurement period of not exceeding one year from the date of acquisition. The acquirer may adjust the provisional amounts recognised for a business combination to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date.

(8) Subject to non-controlling interest ("NCI") allocation upon finalisation of restructuring between TMs Group and SAM.

7.3 Earnings and Earnings per Share ("EPS")

For illustrative purposes only, based on the latest audited consolidated financial statements of Axiata for the FYE 31 December 2020 and assuming that the Proposed Acquisition had been effected on 1 January 2020, being the beginning of the FYE 31 December 2020, the pro forma effects of the Proposed Acquisition on the basic EPS of the Axiata are as follows:

		RM'000
Audited consolidated profit after taxation and minority interests ("PATAMI") of Axiata for the FYE 31 December 2020		365,155
Less:	PATAMI of XL for the FYE 31 December 2020 attributable to reduction of 5.00% effective equity interest in XL[(1)]	(4,407)
Pro forma consolidated PATAMI of Axiata after the Subsequent Event		**360,748**
Add:	PATAMI of TMs Group for the FYE 31 December 2020[(2)]	21,946
Less:	Estimated transaction costs relating to the Proposed Acquisition (Note 7.2(2))	(1,071)
Less:	Estimated finance costs on external borrowings (Note 7.2(4))	(27,405)
Pro forma consolidated PATAMI of Axiata after the Proposed Acquisition		**354,218**
Weighted average number of Axiata Shares in issue ('000)		9,167,584
Basic EPS of Axiata (sen)[(3)]		
• Based on the audited consolidated PATAMI of Axiata for the FYE 31 December 2020		4.0
• Based on proforma consolidated PATAMI of Axiata after the Subsequent Event		3.9
• Based on pro forma consolidated PATAMI of Axiata after the Proposed Acquisition		3.9

Notes:

(1) PATAMI impact following to the reduction of Axiata's effective shareholding in XL from 66.48% to 61.48% resulted from the Subsequent Event as stated in Note 7.2(1).

(2) The Proforma effects have not accounted for effects arising from:

(i) Adoption of MFRS and alignment to Axiata's accounting policies by TMs Group. TMs Group currently adopt MPERS.

(ii) Intercompany transaction eliminations between TMs Group and Axiata Group.

(iii) PPA adjustments.

(iv) NCI allocation upon finalisation of restructuring between TMs Group and SAM.

(3) *Computed based on the relevant PATAMI divided by weighted average number of Axiata Shares in issue during the FYE 31 December 2020.*

8.0 APPROVAL / CONSENT REQUIRED

With the exception of consents and no objection confirmation from; inter-alia, relevant state government bodies and authorities which forms part of Conditions Precedent and Subsequent mentioned earlier in the announcement, the Proposed Acquisition of TMs Group is not subject to the approval of the shareholders of Axiata.

9.0 INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED

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

10.0. DIRECTORS' STATEMENT / RECOMMENDATION

The Board of Axiata, after having considered all aspects of the Proposed Acquisition of TMs Group (including but not limited to the rationale and prospects as discussed in Sections 4 and 5 above), is of the opinion that the Proposed Acquisition of TMs Group is in the best interests of Axiata and its shareholders.

11.0 OTHER INFORMATION REQUIRED UNDER THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD ("MAIN LR")

The highest percentage ratio applicable to the Proposed Acquisition of TMs Group pursuant to paragraph 10.02(g) (ii) of the Main LR is 7.43% based on audited consolidated financial statements of Axiata for the financial period ended 31 December 2020.

12.0 ADVISORS

edotco has appointed Ernst & Young PLT to perform financial and tax due diligence services and Adnan Sundra & Low as legal advisor.

13.0 ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all approvals being obtained, the Proposed Acquisition of TMs Group is expected to be completed by 31 December 2021.

14.0 DOCUMENT FOR INSPECTION

The SSA is available for inspection at Axiata's registered office at Level 5, Axiata Centre, 9 Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia during normal business hours from Mondays to Fridays (except public holidays) for a period of 3 months from the date of this announcement.

B. ENTRY INTO MEMORANDUM OF UNDERSTANDING WITH TOUCH GROUP HOLDINGS SDN BHD

1.0 INTRODUCTION

Axiata also wish to announce that Axiata had on 30 November 2021 entered into a Memorandum of Understanding ("**MOU**") with TGHSB to jointly explore potential opportunities to collaborate in the information and communications technology infrastructure industry in Malaysia.

2.0 RATIONALE FOR MOU

The rationale for the MOU is for Axiata and TGHSB Group of Companies to explore potential opportunities to collaborate in information and communications technology infrastructure projects in Malaysia and other potential opportunities deemed suitable.

3.0 DURATION OF MOU

Unless extended by the parties, the MOU shall be for a period of 1 year from its commencement date which is on 30 November 2021.

4.0 FINANCIAL EFFECTS OF MOU

The MOU will not have any effect on the issued share capital of Axiata and is not expected to have any material effect on the net asset, gearing and earnings of the Axiata Group for the financial year ending 31 December 2021.

5.0 INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED

None of the Directors or major shareholders of Axiata as well as persons connected with them have any interest, direct or indirect, in the MOU.

6.0 APPROVAL / CONSENT REQUIRED

The MOU does not require nor is it subject to the approval of the shareholders of Axiata.

This announcement is dated 30 November 2021.