

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the offering circular attached to this electronic transmission and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached offering circular (the “**Offering Circular**”). In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from Axiata SPV2 Berhad (the “**Trustee**”) or Axiata Group Berhad (“**Axiata**” or the “**Group**”) as a result of such access.

Restrictions: NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. ANY SECURITIES TO BE ISSUED HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE U.S., EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAW.

THE ATTACHED OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON WITHOUT THE PRIOR WRITTEN CONSENT OF THE ARRANGERS (AS DEFINED BELOW) AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. DISTRIBUTION OR REPRODUCTION OF THE ATTACHED OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE SECURITIES LAWS OF OTHER JURISDICTIONS.

UNDER NO CIRCUMSTANCES SHALL THIS OFFERING CIRCULAR CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THE SECURITIES IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL.

Confirmation of Your Representation: By accessing this Offering Circular you confirm to CIMB Bank (L) Limited and Deutsche Bank AG, Singapore Branch as arrangers (together the “**Arrangers**”), and the Trustee, as issuer of the Sukuk (as defined in the attached Offering Circular), that (i) you understand and agree to the terms set out herein, (ii) you are not and the email address which you have provided and to which this Offering Circular has been sent is not in the United States, its territories and possessions, (iii) you consent to delivery by electronic transmission, (iv) you will not transmit the attached Offering Circular (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person except with the prior written consent of the Arrangers and (v) you acknowledge that you will make your own assessment regarding any credit, investment, legal, taxation or other economic considerations with respect to your decision to subscribe or purchase any of the Sukuk.

You are reminded that the attached Offering Circular has been delivered to you on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Offering Circular, electronically or otherwise, to any other person and in particular to any person or address in the U.S.. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

If you received this Offering Circular by e-mail, you should not reply by e-mail to this announcement. Any reply e-mail communications, including those you generate by using the “Reply” function on your email software, will be ignored or rejected. If you receive this Offering Circular by e-mail, your use of this email is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where such offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licenced broker or dealer and the Arrangers or any affiliate of the Arrangers is a licenced broker or dealer in that jurisdiction the offering shall be deemed to be made by the Arrangers or such affiliate on behalf of the Trustee in such jurisdiction.

Under no circumstances shall the Offering Circular constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. Recipients of the attached document who intend to subscribe for or purchase the Sukuk are reminded that any subscription or purchase may only be made on the basis of the information contained in this Offering Circular.

This Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Arrangers, the Trustee, Axiata nor any person who controls or is a director, officer, employee or agent of the Arrangers, the Trustee, Axiata nor any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Arrangers.

The distribution of the Offering Circular in certain jurisdictions may be restricted by law. Persons into whose possession the attached document comes are required by the Arrangers, the Trustee and Axiata to inform themselves about, and to observe, any such restrictions.

OFFERING CIRCULAR



AXIATA SPV2 BERHAD

(Company No. 1004618-V)

(incorporated in Malaysia with limited liability under the Companies Act, 1965 of Malaysia)

U.S.\$1,500,000,000

Multi-currency Sukuk Issuance Programme

On 17 July 2012, Axiata SPV2 Berhad (in its capacity as issuer and as trustee, the "Trustee") entered into a U.S.\$1,500,000,000 multi-currency sukuk issuance programme (the "Programme") and issued an offering circular on that date describing the Programme. This Offering Circular supersedes any previous offering circular and supplements thereto prepared in connection with the Programme. Any Sukuk (as defined below) issued under the Programme on or after the date of this Offering Circular are issued subject to the provisions described herein. This does not affect any Sukuk already in issue.

Under the Programme, the Trustee may, subject to compliance with all relevant laws, regulations and directives, from time to time issue sukuk (the "Sukuk") in any currency agreed between the Trustee and the relevant Dealer (as defined below).

Sukuk may only be issued in registered form. The maximum aggregate face amount of all Sukuk from time to time outstanding under the Programme will not exceed U.S.\$1,500,000,000 (or its equivalent in other currencies calculated as provided in the Programme Agreement described herein), subject to increase as described herein.

Sukuk may be issued on a continuing basis to one or more of the Dealers specified under "Overview of the Programme" and any additional dealer(s) appointed under the Programme from time to time by the Trustee (each a "Dealer" and together the "Dealers"), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the "relevant Dealer" shall, in the case of an issue of Sukuk being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe for such Sukuk.

The Sukuk will be limited recourse obligations of the Trustee. An investment in Sukuk issued under the Programme involves certain risks. For a discussion of these risks, see "Risk Factors".

Each Series (as defined herein) of Sukuk issued under the Programme will be constituted by (i) a master declaration of trust dated 17 July 2012 as amended, restated or supplemented from time to time (the "Master Declaration of Trust") entered into between the Trustee, Axiata Group Berhad ("Axiata") and The Hongkong and Shanghai Banking Corporation Limited as delegate of the Trustee (in such capacity, the "Delegate") and (ii) a supplemental declaration of trust (the "Supplemental Declaration of Trust") in respect of the relevant Series. Sukuk of each Series confer on the holders of the Sukuk from time to time (the "Sukukholders") the right to receive certain payments (as more particularly described herein) arising from the assets of a trust declared by the Trustee in relation to the relevant Series (the "Trust") (for a further description of the Trust, see Condition 6(a) (Trust — Summary of the Trust)).

Approval-in-principle has been granted for permission to deal in and quotation of Sukuk that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). Such permission will be granted when such Sukuk have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of any Sukuk on the SGX-ST are not to be taken as an indication of the merits of any of the Trustee and/or Axiata, the Programme or the Sukuk. Notice of the aggregate face amount of Sukuk, the issue price of Sukuk and any other terms and conditions not contained herein which are applicable to each Series of Sukuk will be set out in a pricing supplement (the applicable "Pricing Supplement").

Bursa Malaysia Securities Berhad ("Bursa Securities") has granted its approval-in-principle for the listing of the Programme under an Exempt Regime ("Bursa Securities (Exempt Regime)") on 16 July 2012. The Sukuk to be issued under the Programme will be listed on Bursa Securities but will not be quoted for trading. Bursa Securities takes no responsibility for the contents of this Offering Circular, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Offering Circular. Admission to the Official List of Bursa Securities (Exempt Regime) shall not be taken to indicate that Bursa Securities recommends the subscription or purchase of the Sukuk or as an indication of the merits of any of the Trustee and/or Axiata, the Programme or the Sukuk. Investors are advised to read and understand the contents of this Offering Circular before investing. If in doubt, the investors should consult his or her adviser.

The Programme provides that Sukuk may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or market(s) as may be agreed between the Trustee and the relevant Dealer. The Trustee may also issue unlisted Sukuk and/or Sukuk not admitted to trading on any market.

Investing in Sukuk issued under the Programme involves certain risks and may not be suitable for all investors. Investors should have sufficient knowledge and experience in financial and business matters to evaluate the information contained in this Offering Circular and in the applicable Pricing Supplement and the merits and risks of investing in a particular issue of Sukuk in the context of their financial position and particular circumstances. Investors also should have the financial capacity to bear the risks associated with an investment in Sukuk. Investors should not purchase Sukuk unless they understand and are able to bear risks associated with Sukuk. The principal risk factors that may affect the abilities of the Trustee and Axiata to fulfil their respective obligations in respect of the Sukuk are discussed under "Risk Factors" below.

Whether or not each credit rating applied for in relation to a relevant Series of Sukuk will be issued by a credit rating agency will be disclosed in the applicable Pricing Supplement.

The transaction structure relating to the first issuance of Sukuk under the Programme (as described in this Offering Circular) was approved by the Central Shariah Committee of HSBC Bank Middle East Limited, while the transaction structure for future issuance of Sukuk under the Programme has been approved by CIMB Islamic Bank Berhad and Dr. Hussein Hamed Sayed Hassan, the Shari'a Adviser of Deutsche Bank AG, Singapore Branch. The Trustee may appoint other Shari'a advisers from time to time, provided that any such appointment is in compliance with the applicable laws and regulations. Prospective Sukukholders should not rely on the approvals referred to above in deciding whether to make an investment in the Sukuk and should consult their own Shari'a advisers as to whether the proposed transaction described in the approvals referred to above is in compliance with Shari'a principles.

Arrangers and Dealers

CIMB

DEUTSCHE BANK

The date of this Offering Circular is 23 October 2015

IMPORTANT NOTICES

The Trustee and Axiata, having made all reasonable enquiries, confirm that, to the best of the knowledge and belief of the Trustee and Axiata, (i) this Offering Circular contains all information with respect to the Trustee, Axiata and the Sukuk, which is material in the context of the issue and offering of the Sukuk; (ii) the statements contained herein relating to the Trustee and Axiata in light of the circumstances in which they were made are in every material respect true and accurate and not misleading; (iii) the opinions and intentions expressed in this Offering Circular with regard to the Trustee and Axiata are honestly and reasonably made or held and have been reached after considering all relevant circumstances; (iv) there are no other facts in relation to the Trustee, Axiata or the Sukuk, the omission of which would, in the context of the issue and offering of the Sukuk, make any statement in this Offering Circular misleading in any material respect; and (v) all reasonable enquiries have been made by the Trustee and Axiata to ascertain such facts and to verify the accuracy of all such information and statements. In addition, the Trustee and Axiata accept full responsibility for the accuracy of the information contained in this Offering Circular.

None of the Arrangers, any of the Dealers or the Delegate (as defined herein) has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arrangers, the Dealers or the Delegate as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Trustee or Axiata in connection with the Programme. None of the Arrangers, any of the Dealers or the Delegate accepts any liability in relation to the information contained in this Offering Circular or any other information provided by the Trustee and Axiata in connection with the Programme.

This Offering Circular should be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Series (as defined herein) of Sukuk, should be read and construed together with the applicable Pricing Supplement.

No person has been authorised by the Trustee or Axiata to give any information or to make any representation not contained in, or not consistent with, this Offering Circular or any other document entered into in relation to the Programme, and any information supplied by the Trustee or Axiata or such other information as is in the public domain should not be relied upon as having been authorised by the Trustee, Axiata, the Delegate or any of the Arrangers or Dealers.

Neither the delivery of this Offering Circular, any applicable Pricing Supplement nor the offering, sale or delivery of any Sukuk shall, in any circumstances, create any implication that the information contained in this Offering Circular is correct subsequent to the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented, or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Trustee or Axiata since the date hereof or, if later, the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. None of the Arrangers, any of the Dealers or the Delegate expressly undertakes to review the financial condition or affairs of the Trustee or Axiata during the life of the Programme or to advise any investor or potential investor in the Sukuk of any information coming to their attention.

No comment is made or advice given by, the Trustee, Axiata, the Delegate or any of the Arrangers or Dealers in respect of taxation matters relating to any Sukuk or the legality of the purchase of Sukuk by an investor under applicable or similar laws.

The distribution of this Offering Circular and any applicable Pricing Supplement and the offering, sale and delivery of the Sukuk in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular or any applicable Pricing Supplement comes are required by the

Trustee, Axiata, any of the Arrangers or any of the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of the Sukuk and on the distribution of this Offering Circular or any applicable Pricing Supplement and other offering material relating to the Sukuk, see “*Subscription and Sale*”. In particular, the Sukuk have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the “**Securities Act**”). Subject to certain exceptions, the Sukuk may not be offered, sold or delivered within the United States (“**U.S.**”). The Sukuk are being offered and sold outside the U.S. in reliance on Regulation S under the Securities Act (“**Regulation S**”). None of the Trustee, Axiata, the Delegate, the Arrangers or the Dealers represents that this Offering Circular may be lawfully distributed, or that any Sukuk may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering.

Neither this Offering Circular nor any applicable Pricing Supplement constitutes an offer or an invitation to subscribe for or purchase any Sukuk and should not be considered as a recommendation by the Trustee, the Delegate, Axiata, the Arrangers, the Dealers or any of them that any recipient of this Offering Circular or any applicable Pricing Supplement should subscribe for or purchase any Sukuk. Each recipient of this Offering Circular or any applicable Pricing Supplement shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Trustee and Axiata.

The maximum aggregate face amount of Sukuk outstanding at any one time under the Programme will not exceed U.S.\$1,500,000,000 (and for this purpose, any Sukuk denominated in another currency shall be translated into United States dollars at the date of the agreement to issue such Sukuk (calculated in accordance with the provisions of the Programme Agreement)). The maximum aggregate face amount of Sukuk which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Programme Agreement and any regulatory approval (if required).

IN CONNECTION WITH THE ISSUE OF ANY SERIES OF SUKUK, THE DEALER OR DEALERS (IF ANY) NAMED AS THE STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) IN THE APPLICABLE PRICING SUPPLEMENT OR, AS THE CASE MAY BE, OFFERING CIRCULAR MAY OVER-ALLOT SUKUK OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE SUKUK AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. IN DOING SO, THE STABILISING MANAGER(S) SHALL ACT AS PRINCIPAL AND NOT AGENT OF THE TRUSTEE AND ANY LOSS RESULTING FROM OVER-ALLOTMENT AND STABILISATION WILL BE BORNE, AND ANY PROFIT ARISING THEREFROM SHALL BE BENEFICIALLY RETAINED, SOLELY BY THE STABILISING MANAGER(S). HOWEVER, THERE IS NO OBLIGATION ON THE STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF A STABILISING MANAGER) TO UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE ISSUE DATE OF THE RELEVANT SERIES AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT SERIES OF SUKUK AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT SERIES OF SUKUK. SUCH STABILISING SHALL BE CONDUCTED IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

PRESENTATION OF INFORMATION

Certain Defined Terms

Capitalised terms which are used but not defined in any section of this Offering Circular will have the meaning attributed thereto in the Conditions (as defined below) or any other section of this Offering Circular. In addition, the following terms as used in this Offering Circular have the meanings defined as follows: references to “**TM**” are to Telekom Malaysia Berhad, references to “**TM Group**” are to TM and its subsidiaries, references to “**Khazanah**” are to Khazanah Nasional Berhad, references to “**Celcom**” are to Celcom Axiata Berhad, references to “**Celcom Group**” are to Celcom and its subsidiaries, references to “**XL**” are to PT XL Axiata Tbk, references to “**XL Group**” are to XL and its subsidiaries, references to “**Dialog**” are to Dialog Axiata PLC, references to “**Dialog Group**” are to Dialog and its subsidiaries, references to “**Robi**” are to Robi Axiata Limited, references to “**Robi Group**” are to Robi and its subsidiaries, references to “**Hello**” are to Hello Axiata Company Limited, references to “**Smart**” are to Smart Axiata Co. Ltd, references to “**Axiata Digital Services**” or “**ADS**” are to Axiata Digital Services Sdn Bhd, references to “**ADS Group**” are to Axiata Digital Services and its subsidiaries, references to “**edotco**” are to edotco Group Sdn Bhd, references to “**edotco Group**” are to edotco and its subsidiaries, references to “**Idea**” are to Idea Cellular Limited, references to “**Spice**” are to Spice Communications Limited, references to “**M1**” are to M1 Limited and references to “**Samart**” are to Samart Corporation Public Company Limited.

Certain Conventions

Certain figures and percentages included in this Offering Circular have been subject to rounding adjustments. Accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Axiata publishes its financial statements in Malaysian Ringgit. In this Offering Circular, references to “**Malaysian Ringgit**”, “**Ringgit**” or “**RM**” and “**sen**” are to the lawful currency of Malaysia, references to “**Rupiah**” and “**IDR**” are to the lawful currency of Indonesia, references to “**United States dollars**”, “**U.S. dollar**”, “**U.S. dollars**”, “**USD**” or “**U.S.\$**” are to the lawful currency of the United States, references to “**SLR**” are to the lawful currency of Sri Lanka, references to “**€**” and to “**euro**” are to the currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended, references to “**BDT**” are to the lawful currency of Bangladesh and references to “**SGD**” are to the lawful currency of Singapore. Solely for the convenience of the reader, this Offering Circular contains translations of certain Ringgit, Rupiah, SLR and BDT amounts into U.S. dollars at the relevant rates specified in this Offering Circular. All amounts translated into U.S. dollars as described above are provided solely for the convenience of the reader and no representation is made that the Ringgit, Rupiah, SLR, BDT or U.S. dollar amounts referred to herein could have been or could be converted into U.S. dollars, Ringgit, Rupiah, SLR or BDT, as the case may be, at any particular rate or at all either at the dates referred to in this Offering Circular or at any other time. References to a “**billion**” are to a thousand million. See “*Exchange Rates and Exchange Controls*” for certain information regarding the rates of exchange between the Ringgit and the U.S. dollar. Axiata has prepared audited consolidated financial statements as of and for the financial years ended 31 December 2013 (including restated comparatives of 2012) and 2014.

FORWARD-LOOKING STATEMENTS

This Offering Circular contains certain forward-looking statements. The words “anticipate”, “believe”, “expect”, “plan”, “intend”, “targets”, “aims”, “estimate”, “project”, “will”, “would”, “may”, “could”, “continue” and similar expressions are intended to identify forward-looking statements. All statements other than statements of historical fact included in this Offering Circular, including, without limitation, those regarding the financial position, business strategy, management plans and objectives for future operations of Axiata and its subsidiaries and associates are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding present and future business strategies and the environment in which Axiata expects to operate in the future.

Important factors that could cause actual results, performance or achievements to differ materially from those in the forward-looking statements include, but are not limited to, those discussed under “*Risk Factors*”. Any forward-looking statements made by or on behalf of Axiata speak only as at the date they are made. Axiata does not undertake to update forward-looking statements to reflect any changes in their expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

NOTICE TO RESIDENTS OF THE KINGDOM OF BAHRAIN

In relation to investors in the Kingdom of Bahrain, securities issued in connection with this Offering Circular and related offering documents may only be offered in registered form to existing account holders and accredited investors as defined by the Central Bank of Bahrain (the “CBB”) in the Kingdom of Bahrain where such investors make a minimum investment of at least U.S.\$100,000 or the equivalent amount in any other currency or such other amount as the CBB may determine.

This offer does not constitute an offer of securities in the Kingdom of Bahrain in terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). This Offering Circular and related offering documents have not been and will not be registered as a prospectus with the CBB. Accordingly, no securities may be offered, sold or made the subject of an invitation for subscription or purchase, nor will this Offering Circular or any other related document or material be used in connection with any offer, sale or invitation to subscribe for or purchase securities, whether directly or indirectly, to persons in the Kingdom of Bahrain, other than to accredited investors for an offer outside the Kingdom of Bahrain.

The CBB has not reviewed, approved or registered this Offering Circular or related offering documents and it has not in any way considered the merits of the securities to be offered for investment, whether inside or outside the Kingdom of Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this Offering Circular and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this Offering Circular. No offer of securities will be made to the public in the Kingdom of Bahrain and this Offering Circular must be read by the addressee only and must not be issued, passed to, or made available to the public generally.

NOTICE TO RESIDENTS OF MALAYSIA

An application was made to the Securities Commission Malaysia for the approval of the Programme on a deemed approval basis and the Programme was deemed approved by the Securities Commission Malaysia on 18 July 2012. Notwithstanding the introduction of the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework dated 9 March 2015 (“LOLA Framework”), all unlisted capital market products, which have been approved, authorised or recognised before the effective date of the LOLA Framework, shall continue to be valid, and remain as an approved, authorised or recognised unlisted capital market product by the Securities Commission Malaysia. Any Sukuk to be issued under the Programme may not be offered for subscription or purchase and no invitation to subscribe for or purchase such Sukuk in Malaysia may be made, directly or indirectly, and this Offering Circular or any document or other materials in connection therewith may not be distributed in Malaysia other than to persons or in categories falling within (i) Schedule 6 (or Section 229(1)(b)) and (ii) Schedule 7 (or Section 230(1)(b)), read together with Schedule 8 (or Section 257(3)) of the Capital Markets and Services Act, 2007 of Malaysia. In accordance with the Capital Markets and Services Act, 2007 of Malaysia, a copy of this Offering Circular will be deposited with the Securities Commission Malaysia. The Securities Commission Malaysia shall not be liable for any non-disclosure on the part of the Trustee or Axiata and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Offering Circular. The issue, offer or invitation in relation to the Sukuk or otherwise are subject to the fulfilment of various conditions precedent, including, without limitation, the approval from the Securities Commission Malaysia. Each recipient of this Offering Circular acknowledges and agrees that the approval of the Securities Commission Malaysia shall not be taken to indicate that the Securities Commission Malaysia recommends the subscription or purchase of the Sukuk.

NOTICE TO RESIDENTS OF THE STATE OF QATAR

This Offering Circular does not and is not intended to constitute an offer, sale or delivery of the Sukuk under the laws of the State of Qatar and has not been and will not be reviewed or approved by or registered with the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or the Qatar Central Bank. The Sukuk are not and will not be traded on the Qatar Exchange.

NOTICE TO RESIDENTS OF THE KINGDOM OF SAUDI ARABIA

This Offering Circular may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority of the Kingdom of Saudi Arabia (the “Capital Market Authority”). The Capital Market Authority does not make any representations as to the accuracy or completeness of this Offering Circular, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Offering Circular. Prospective purchasers of the Sukuk should conduct their own due diligence on the accuracy of the information relating to the Sukuk. If a prospective purchaser does not understand the contents of this Offering Circular, he or she should consult an authorised financial adviser.

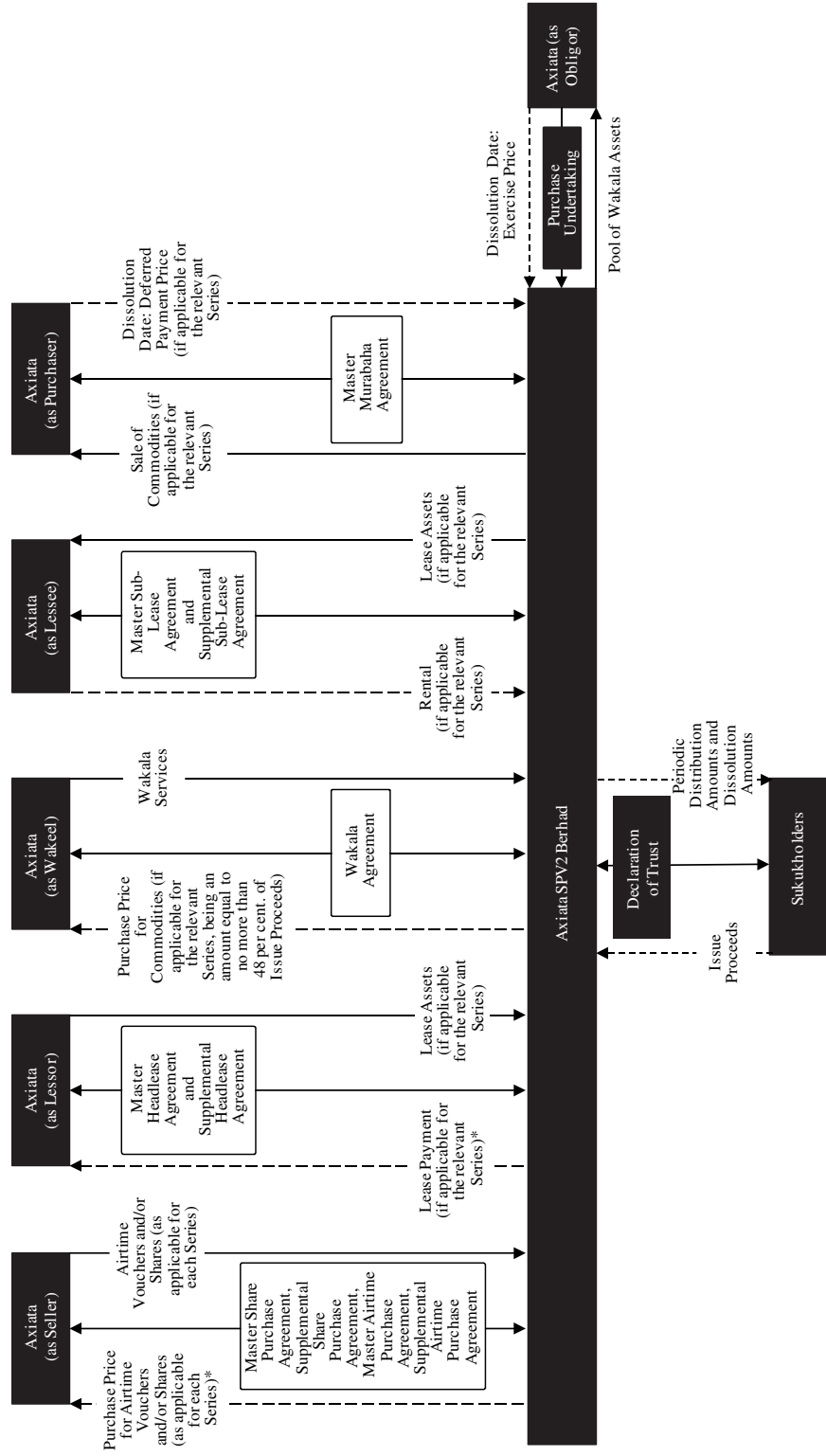
CONTENTS

	Page
STRUCTURE DIAGRAM AND CASH FLOWS	1
GENERAL DESCRIPTION OF THE PROGRAMME	4
SUMMARY FINANCIAL INFORMATION	19
DOCUMENTS INCORPORATED BY REFERENCE	24
RISK FACTORS	25
TERMS AND CONDITIONS OF THE SUKUK	55
FORM OF THE SUKUK	109
FORM OF PRICING SUPPLEMENT	112
USE OF PROCEEDS	119
CAPITALISATION AND INDEBTEDNESS	120
CAPITALISATION OF THE TRUSTEE	121
EXCHANGE RATES AND EXCHANGE CONTROLS	122
HISTORY AND BACKGROUND OF THE GROUP	123
BUSINESS OF THE GROUP	128
LICENCES AND REGULATIONS	176
PRINCIPAL SHAREHOLDERS OF AXIATA	195
MANAGEMENT OF THE GROUP	196
DESCRIPTION OF THE TRUSTEE	203
SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS	204
TAXATION	230
SUBSCRIPTION AND SALE	233
GENERAL INFORMATION	239
ANNEX A — KEY LICENCES	242

STRUCTURE DIAGRAM AND CASH FLOWS

Set out below is a simplified structure diagram and description of the principal cash flows underlying the transaction. Potential investors are referred to the terms and conditions of the Sukuk and the detailed descriptions of the relevant Transaction Documents set out elsewhere in this Offering Circular for a fuller description of certain cash flows and for an explanation of the meaning of certain capitalised terms used below.

STRUCTURE DIAGRAM



* for an aggregate amount equal to at least 52 per cent. of Issue Proceeds

PRINCIPAL CASH FLOWS

Payments by the Sukukholders and the Trustee. On each Issue Date (as defined in the Conditions), the Sukukholders will pay the issue price in respect of the Sukuk to the Trustee. In relation to each Series, the Trustee:

- (a) may, at the request of Axiata, use a portion of the issue price (such portion to be set out in the applicable Pricing Supplement and not to exceed an amount equal to 48 per cent. of the aggregate issue price) to purchase Commodities and sell such Commodities to Axiata pursuant to the Master Murabaha Agreement;
- (b) may pay a portion of the issue price to Axiata (such portion to be as set out in the applicable Pricing Supplement) as the purchase price payable under the Master Airtime Purchase Agreement and the Supplemental Airtime Purchase Agreement relating to that Series for the purchase by the Trustee of all of Axiata's interest, rights, benefits and entitlement in and to the airtime vouchers ("**Airtime Vouchers**") identified in the relevant Supplemental Airtime Purchase Agreement;
- (c) may pay a portion of the issue price to Axiata (such portion to be as set out in the applicable Pricing Supplement) as the purchase price payable under the Master Share Purchase Agreement and the Supplemental Share Purchase Agreement relating to that Series for the purchase by the Trustee of Axiata's beneficial ownership of the shares ("**Shares**") identified in the relevant Supplemental Share Purchase Agreement; and
- (d) may pay a portion of the issue price to Axiata (such portion to be as set out in the applicable Pricing Supplement) as the lease payment payable under the Master Headlease Agreement and a Supplemental Headlease Agreement that may be entered into in relation to a Series pursuant to which the Trustee shall lease from Axiata the relevant lease assets ("**Lease Assets**") identified in, and pursuant to, the relevant Supplemental Headlease Agreement.

Periodic Payments by the Trustee. In relation to each Series comprising Airtime Vouchers, on or before the Payment Date, the Wakeel, as distributor of the Airtime Vouchers under the Master Wakala Agreement, will pay an amount equal to the Minimum Sale Price of the relevant Airtime Vouchers (which will comprise both a cost price and profit element) into the Reserve Account or Collection Account (as appropriate). In relation to each Series also comprising Lease Assets, on or prior to each Rental Payment Date, the Lessee will pay to the Trustee (or the Wakeel on behalf of the Trustee) an amount reflecting the Rental due in respect of the Lease Assets.

In relation to each Series, on or prior to each (in relation to any Airtime Vouchers) Payment Date and/or (in relation to Rental) Rental Payment Date (as applicable), the Wakeel will pay to the Trustee an amount reflecting the aggregate proceeds from the sale of Airtime Vouchers and/or Rental for the relevant Return Accumulation Period and such amounts shall be used to pay the Periodic Distribution Amounts payable by the Trustee under the Sukuk and shall be applied by the Trustee for that purpose.

Dissolution Payment by Axiata. On the Scheduled Dissolution Date of a Series, the Trustee will have the right under the Purchase Undertaking (as defined herein) to require Axiata to purchase and accept the transfer and conveyance of all of its interests, rights, benefits and entitlements in and to: (i) (where such Series comprises Lease Assets) the Head Lease Interest granted pursuant to the Supplemental Headlease Agreement; (ii) (where such Series comprises of Shares) the Shares; and (iii) (where such Series comprises of Airtime Vouchers) any Airtime Vouchers owned by the Trustee but unsold at that time. The Sukuk Exercise Price, together with any Deferred Payment Price, Murabaha Indemnity Amount or Wakala Indemnity Amount (as applicable) payable by Axiata to the Trustee will be used to fund the Dissolution Amount payable by the Trustee under the Sukuk.

The Trust may, in accordance with the Conditions, be dissolved prior to the Scheduled Dissolution Date by reason of: (i) redemption where a Dissolution Event (as defined in Condition 15 (*Dissolution Events*)) has occurred and is continuing, (ii) redemption following the occurrence of certain Tax

Events (as defined in Condition 11(b) (*Capital Distributions of the Trust — Early Dissolution for Tax Reasons*), or (iii) (only if applicable to the relevant Series) at the option of Axiata in the circumstances described in Condition 11(c) (*Capital Distributions of the Trust — Dissolution at the Option of Axiata*).

In such case, the amounts payable by the Trustee on the relevant Dissolution Date will be funded by Axiata purchasing the Trustee's interest, rights, benefits and entitlements in and to: (i) (where such Series comprises Lease Assets) the Head Lease Interest granted pursuant to the Supplemental Headlease Agreement; (ii) (where such Series comprises of Shares) the Shares; and (iii) (where such Series comprises of Airtime Vouchers) any Airtime Vouchers owned by the Trustee but unsold at that time, pursuant to the terms of the Purchase Undertaking or Sale Undertaking (as applicable). Where the Series also comprises commodities purchased pursuant to the Master Murabaha Agreement, the remainder of the amounts (if any) payable by the Trustee on the relevant Dissolution Date shall be funded by Axiata paying to the Trustee the outstanding Deferred Payment Price in respect of the Commodities purchased pursuant to the Master Murabaha Agreement or, if applicable, the outstanding Murabaha Indemnity Amount pursuant to the Master Murabaha Agreement or, as the case may be, the outstanding Wakala Indemnity Amount pursuant to the Master Wakala Agreement.

The Trust may also be dissolved prior to the Scheduled Dissolution Date upon the occurrence of a Revocation Event and/or a Total Loss Termination Event in the circumstances described in Condition 11(e) (*Capital Distributions of the Trust — Dissolution following a Total Loss Termination Event*) and Condition 11(f) (*Capital Distributions of the Trust — Dissolution following a Revocation Event*).

GENERAL DESCRIPTION OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Series of Sukuk, the applicable Pricing Supplement.

Words and expressions defined in “*Form of the Sukuk*” and “*Terms and Conditions of the Sukuk*” shall have the same meanings in this overview.

Trustee:	Axiata SPV2 Berhad, as trustee for and on behalf of the Sukukholders and, in such capacity, as issuer of the Sukuk, a public company incorporated on 4 June 2012 in accordance with the laws of, and formed and registered in, Malaysia with registered number 1004618-V with its registered office at Level 5, Corporate Headquarters, Axiata Tower, 9 Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia. The Trustee has been incorporated solely for the purpose of participating in the transactions contemplated by the Transaction Documents (as defined below) to which it is a party. Axiata SPV2 Berhad shall on each Issue Date issue the Sukuk to the Sukukholders and act as trustee in respect of the Trust Assets for the benefit of the Sukukholders.
Ownership of the Trustee:	The authorised share capital of the Trustee is RM100,000.00 consisting of 100,000 ordinary shares of RM1.00 each, of which 2 shares are fully paid-up and issued. The Trustee’s entire issued share capital is held by Axiata.
Arrangers:	CIMB Bank (L) Limited and Deutsche Bank AG, Singapore Branch
Dealers:	CIMB Bank (L) Limited, Deutsche Bank AG, Singapore Branch and any other Dealer appointed from time to time either generally in respect of the Programme or in relation to a particular Series of Sukuk.
Delegate:	The Hongkong and Shanghai Banking Corporation Limited (the “ Delegate ”). In accordance with the Master Declaration of Trust, the Trustee will, <i>inter alia</i> , unconditionally and irrevocably appoint the Delegate to be its attorney and to exercise certain future duties, powers, authorities and discretions vested in the Trustee by certain provisions in the Master Declaration of Trust in accordance with the terms of the Master Declaration of Trust. In addition, pursuant to the Master Declaration of Trust, certain powers will be vested solely in the Delegate.
Principal Paying Agent, Calculation Agent and Transfer Agent:	The Hongkong and Shanghai Banking Corporation Limited.
Registrar:	The Hongkong and Shanghai Banking Corporation Limited.

Sukuk Assets:	<p>On each Issue Date, the Sukuk Assets will consist of:</p> <ul style="list-style-type: none"> (a) any Airtime Vouchers to be purchased by the Trustee from Axiata pursuant to the Master Airtime Purchase Agreement and any relevant Supplemental Airtime Purchase Agreement; (b) any Shares to be purchased by the Trustee from Axiata pursuant to the Master Share Purchase Agreement and any relevant Supplemental Share Purchase Agreement; (c) any Lease Assets to be leased by the Trustee from Axiata pursuant to the Master Headlease Agreement and any relevant Supplemental Headlease Agreement; and/or (d) any Commodities to be purchased by the Trustee (or by the Wakeel on its behalf) to be sold to Axiata pursuant to the Master Murabaha Agreement).
Initial Programme Amount:	<p>Up to U.S.\$1,500,000,000 (or its equivalent in other currencies) aggregate face amount of Sukuk outstanding at any one time.</p> <p>The amount of the Programme may be increased in accordance with the terms of the Programme Agreement and subject to any regulatory approval (if required).</p>
Issuance in Series:	<p>The Sukuk will be issued in series (each series of Sukuk being a “Series”). The specific terms of each Series will be completed in a pricing supplement document (the applicable “Pricing Supplement”).</p> <p>Sukuk may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.</p>
Currencies:	<p>Sukuk may be denominated in U.S. dollars or any other currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Sukuk may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Sukuk are denominated.</p>
Maturities:	<p>The Sukuk will have such maturities as may be agreed between the Trustee and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Trustee or the Specified Currency (as defined in the applicable Pricing Supplement).</p>

Issue Price:	Sukuk may be issued at any price on a fully paid basis, as specified in the applicable Pricing Supplement. The price and amount of Sukuk to be issued under the Programme will be determined by the Trustee, Axiata and the relevant Dealer at the time of issue in accordance with prevailing market conditions.
Status of the Sukuk:	Each Sukuk will represent an undivided beneficial ownership interest in the Trust Assets of the relevant Series, will be a limited recourse obligation of the Trustee and will rank <i>pari passu</i> , without preference or priority, with all other Sukuk of the relevant Series issued under the Programme.
Periodic Distribution Amounts:	Subject to Condition 4(c)(i) (<i>Status and Limited Recourse — Agreement of Sukukholders</i>), Sukukholders are entitled to receive Periodic Distribution Amounts calculated on the basis specified in the applicable Pricing Supplement.
Cross-Default:	The Sukuk will have the benefit of a cross-default provision in respect of Axiata’s financial indebtedness, as described more fully in Condition 15 (<i>Dissolution Events</i>).
The Trust Assets:	<p>Pursuant to the Master Declaration of Trust, as supplemented by a Supplemental Declaration of Trust for each Series, the Trustee will declare that it will hold, for each Series, certain assets (the “Trust Assets”), consisting of:</p> <ul style="list-style-type: none"> (a) all of the Trustee’s rights, title, interest and benefit, present and future, in, to and under the relevant Sukuk Assets; (b) the right, title, interest and benefit, present and future, of the Trustee in, to and under the Transaction Documents (excluding: (i) any representations given by Axiata to the Trustee and the Delegate pursuant to any of the Transaction Documents; and (ii) the covenant given to the Trustee pursuant to clause 17.1 of the Master Declaration of Trust); (c) all monies standing to the credit of the relevant Transaction Account (as defined in Condition 6(c) (<i>Trust — Operation of Transaction Account</i>)); and (d) any other assets, rights, cash or investments as may be specified in the applicable Pricing Supplement, (e) and all proceeds of the foregoing upon trust absolutely for the Sukukholders <i>pro rata</i> according to the face amount of Sukuk held by each holder for the relevant Series.

Dissolution on the Scheduled Dissolution Date:	Unless the Sukuk are previously redeemed or purchased and cancelled, the Trustee will redeem each Sukuk at the relevant Dissolution Amount and the Trust in relation to the relevant Series will be dissolved by the Trustee on the relevant Scheduled Dissolution Date specified in the applicable Pricing Supplement.
Dissolution Amount:	<p>Means, in relation to a particular Series, the aggregate of:</p> <p>(a) the sum of:</p> <p style="padding-left: 40px;">(i) the outstanding face amount of such Series; and</p> <p style="padding-left: 40px;">(ii) any due but unpaid Periodic Distribution Amounts for such Series; or</p> <p>(b) such other amount specified in the applicable Pricing Supplement as being payable upon dissolution of the relevant Series.</p>
Early Dissolution of the Trust:	<p>The Trust may only be dissolved prior to the Scheduled Dissolution Date upon:</p> <p>(a) the occurrence of a Dissolution Event;</p> <p>(b) the exercise of an Optional Dissolution Right (if the Optional Dissolution Right is applicable to the relevant Series);</p> <p>(c) the occurrence of a Tax Event (as defined in Condition 11(b) (<i>Capital Distributions of the Trust — Early Dissolution for Tax Reasons</i>));</p> <p>(d) the occurrence of a Total Loss Termination Event (in the circumstances described in Condition 11(e) (<i>Capital Distributions of the Trust — Dissolution following a Total Loss Termination Event</i>));</p> <p>(e) the occurrence of a Revocation Event (in the circumstances described in Condition 11(f) (<i>Capital Distributions of the Trust — Dissolution following a Revocation Event</i>)); or</p> <p>(f) all of the Sukuk of the relevant Series being cancelled following an exercise of the Redemption Undertaking.</p>
Dissolution Events:	The Dissolution Events are described in Condition 15 (<i>Dissolution Events</i>). Upon the occurrence of a Dissolution Event which is continuing, the Sukuk of the relevant Series may be redeemed in full at an amount equal to the Dissolution Amount on the Dissolution Event Redemption Date.

Early Dissolution for Tax Reasons:

Where the Trustee has or will become obliged to pay any additional amounts in respect of the Sukuk pursuant to Condition 12 (*Taxation*) or Axiata has or will become obliged to pay any additional amounts in respect of amounts payable under the Transaction Documents as a result of a change in the laws of a Relevant Jurisdiction (as defined in the Conditions) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the relevant Series and such obligation cannot be avoided by the Trustee or Axiata, as applicable, taking reasonable measures available to it, the Trustee will, following receipt of the Exercise Notice (as defined in the Conditions) under the Sale Undertaking, dissolve the Trust and redeem (in whole, but not in part) the Sukuk at their Early Dissolution Amount (Tax), together with any Periodic Distribution Amounts accrued (if any) to the Dissolution Date.

Optional Dissolution Right:

If so specified in the applicable Pricing Supplement as being applicable, Axiata may, in accordance with Condition 11(c) (*Capital Distributions of the Trust — Dissolution at the Option of Axiata*), require the Trustee to redeem (in whole, but not in part) the Sukuk of the relevant Series at any time prior to the relevant Scheduled Dissolution Date at the relevant Optional Dissolution Amount, together with any Periodic Distribution Amounts accrued (if any) to the Optional Dissolution Date.

Change of Control Exercise Option:

If so specified in the applicable Pricing Supplement as being applicable, the Trustee may, in accordance with Condition 14(c) (*Purchase and Cancellation of Sukuk — Redemption at the Option of the Sukukholders (Change of Control Exercise Option)*), upon the occurrence of a Change of Control Triggering Event (and following the notification thereof by Axiata to the Trustee and the Delegate), give notice of such event to the Sukukholders. In the event that Sukukholders holding Sukuk of the relevant Series elect within 30 days (or such other period as set out in the applicable Pricing Supplement) of a notice that a Change of Control Triggering Event has occurred being delivered to the Sukukholders by the Trustee (the “**Change of Control Exercise Period**”) to redeem their Sukuk (the “**Change of Control Sukuk**”), in accordance with Condition 14(c) (*Purchase and Cancellation of Sukuk — Redemption at the Option of the Sukukholders (Change of Control Exercise Option)*), following the receipt of a Change of Control Confirmation Notice, pursuant to the Change of Control Undertaking, the Trustee (or the Principal Paying Agent on its behalf) shall serve a Change of Control Purchase Notice on Axiata and require Axiata, on the seventh day after the last day of the Change of Control Exercise Period to purchase from the relevant Sukukholders the relevant Change of Control Sukuk at the relevant Change of Control Amount.

Change of Control Triggering Event:

A “**Change of Control Triggering Event**” means a Change of Control,

provided that, in the event that the Sukuk are, on the Rating Date rated Investment Grade by two Rating Agencies, a Change of Control Triggering Event shall mean the occurrence of both a Change of Control and a Rating Downgrade.

A “**Change of Control**” shall have the meaning specified in the applicable Pricing Supplement to the extent that such Pricing Supplement also specifies the Change of Control Exercise Option as being applicable.

Dissolution following a Revocation Event and/or a Total Loss Termination Event:

In relation to each Series:

- (a) the occurrence of a Revocation Event; or
- (b) the occurrence of a Total Loss Termination Event,

will result in the redemption of the Sukuk and the consequent dissolution of the Trust.

In accordance with the terms of the Master Wakala Agreement and where a Series comprises Lease Assets, the Wakeel is responsible for ensuring that such Lease Assets are, so long as the relevant Sukuk for that Series are outstanding, insured (to the extent reasonable and commercially practicable in a *Shari’a* compliant manner) against a Total Loss Event. In the event of:

- (i) a Total Loss Event occurring, the Wakeel shall apply all the proceeds of a claim under the Takaful/Insurances, excluding any third party insurance proceeds or any environmental liability insurance proceeds (the “**Takaful/Insurance Proceeds**”) (on behalf of the Trustee) towards the purchase of additional Airtime Vouchers in accordance with the Master Airtime Purchase Agreement or towards the lease of new Lease Assets from Axiata; and
- (ii) a Total Loss Termination Event occurring, the Wakeel on behalf of the Trustee shall ensure that the Takaful/ Insurance Proceeds are paid in the Specified Currency (as defined below) directly into the Transaction Account as soon as practicable and in any event by no later than close of business in Malaysia on the 45th day after the occurrence of the Total Loss Event.

In relation to a Series comprising Lease Assets, if (i) a Total Loss Event occurs and an amount (if any) less than the Takaful/Insurance Coverage Amount is available to the Wakeel for the purchase of additional Airtime Vouchers or to be applied by the Wakeel towards the lease of new assets from Axiata or (ii) a Total Loss Termination Event occurs and the amount credited to the relevant Transaction Account is less than the Takaful/Insurance Coverage Amount (the difference between the Takaful/Insurance Coverage Amount and the amount available to Axiata or credited to such Transaction Account (as applicable) being the “**Total Loss Shortfall Amount**”), then the Wakeel acknowledges that it shall have failed in its responsibility to properly insure the Lease Assets and accordingly irrevocably and unconditionally undertakes to (A) in the event that paragraph (i) above is applicable, pay the Total Loss Shortfall Amount towards the purchase of additional Airtime Vouchers or the lease of new assets from Axiata (as applicable) or (B) in the event that paragraph (ii) above is applicable, pay (in the Specified Currency in same day, freely transferable, cleared funds) the Total Loss Shortfall Amount directly to the Transaction Account, in each case as soon as practicable and in any event by no later than close of business in Malaysia on the 46th day after the Total Loss Event has occurred.

Rentals shall cease to accrue under the relevant Lease with effect from the date on which a Total Loss Event occurs, and no additional rental payment shall be made in respect of the period between the date on which the Total Loss Event occurred and the date on which the Total Loss Shortfall Amount is paid pursuant to paragraphs (A) or (B) above. The Lessee will pay the accrued and unpaid rental up to the date on which the Total Loss Event occurred to the Lessor no later than the date of such Total Loss Event by crediting such amount to the Collection Account.

Pursuant to the Purchase Undertaking, where:

a Revocation Event has occurred; or

a Total Loss Termination Event has occurred,

Axiata will irrevocably grant to the Trustee the right to require Axiata to purchase and accept the transfer and conveyance on the relevant Revocation Event Dissolution Date or Total Loss Dissolution Date (as applicable) specified in the Exercise Notice of all of the Trustee’s interests, rights, benefits and entitlements in and to any Residual Assets (as defined below) at the Residual Assets Exercise Price (as defined below) specified in the Exercise Notice. The Residual Assets Exercise Price will be paid into the Transaction Account on the Revocation Event Dissolution Date or Total Loss Dissolution Date (as applicable).

The Trustee (or the Delegate on its behalf) will use the amounts subsequently received from Axiata to redeem the relevant Series of Sukuk at their Dissolution Amount.

See Condition 6(a) (*Trust — Summary of the Trust*).

“**Collection Account**” means the ledger account to be maintained by the Wakeel in accordance with the terms of the Wakala Agreement;

“**Distribution Profit**” means, in relation to a particular Distribution Period, an amount equal to the Voucher Percentage of the Periodic Distribution Amount for the corresponding Return Accumulation Period as determined in accordance with Condition 8(c) (*Fixed Periodic Distribution Provisions — Determination of Periodic Distribution Amount*).

“**Residual Assets**” means, in relation to any Series:

- (a) where such Series comprises Airtime Vouchers and Lease Assets at such time;
 - (i) following the occurrence of a Revocation Event, the unsold Airtime Vouchers and the remaining Lease Assets; or
 - (ii) following the occurrence of a Total Loss Termination Event, the unsold Airtime Vouchers at such time; or
- (b) where, at such time, such Series comprises Airtime Vouchers but not Lease Assets at such time, following the occurrence of a Revocation Event, the unsold Airtime Vouchers; or

provided always that where a Series comprises Shares, “Residual Assets” shall also include such Shares.

“**Residual Assets Exercise Price**” means, at any time, and in relation to a Series, an amount equal to the aggregate of:

- (a) the outstanding face amount of the Sukuk for that Series;
- (b) to the extent such Series originally comprised Lease Assets, all accrued but unpaid Rental (or part thereof) relating to the Lease Assets (if any), to the extent not received by the Trustee in its capacity as Lessor under the relevant Supplemental Sub-Lease Agreement;
- (c) without duplication or double counting, an amount equal to any accrued but unpaid Wakala Services Charge Amount; and
- (d) to the extent such Series originally comprised Airtime Vouchers, all accrued but unpaid Distribution Profit (or part thereof) relating to the Airtime Vouchers (if any), to the extent not received by the Trustee under the Master Wakala Agreement,

less

- a) an amount equal to only one of the following (as applicable):
- (i) the outstanding Deferred Payment Price (after any reduction pursuant to the Master Murabaha Agreement) due under the Master Murabaha Agreement, where a Murabaha Contract has been concluded for that Series pursuant to the Master Murabaha Agreement; or
 - (ii) the outstanding Murabaha Indemnity Amount (after any reduction pursuant to the Master Murabaha Agreement) due under the Master Murabaha Agreement, where a Murabaha Contract has not been concluded pursuant to the Master Murabaha Agreement for that Series but the Wakeel has complied with its obligations contained in the Master Wakala Agreement; or
 - (iii) the outstanding Wakala Indemnity Amount (after any reduction pursuant to the Master Wakala Agreement) due under the Master Wakala Agreement, where the Wakeel has failed to comply with its obligations in the Master Wakala Agreement; and
- b) to the extent such Series originally comprised Lease Assets and an Exercise Notice has been served immediately following a Total Loss Termination Event, the Takaful/ Insurance Coverage Amount for that Series,

which price the Parties acknowledge shall be the price for the remaining Wakala Assets following the occurrence of a Revocation Event and/or a Total Loss Termination Event (as applicable);

“Revocation Date” means, in relation to a Revocation Event, the earlier of the date that (A) the Trustee is notified and (B) the Trustee becomes aware that a provider of Airtime Vouchers for a particular Series has ceased to be an Authorised Entity;

“Revocation Event” means, in respect of a Series, an event or circumstance where (i) such Series comprises Airtime Vouchers but does not also comprise Lease Assets at that time (ii) the Revocation Date has occurred and (iii) Axiata is unable within 45 days of the Revocation Date to lease new assets to the Trustee pursuant to a Supplemental Headlease Agreement or (in its capacity as Wakeel) obtain Airtime Vouchers pursuant to a Supplemental Airtime Purchase Agreement, in each case for an amount at least equal to the aggregate amount of Airtime Vouchers owned by the Trustee but unsold as at the Revocation Date;

“Specified Currency” means, in relation to a particular Series, the currency in which such Series is denominated.

“Total Loss Event” means, in relation to a Series comprising Lease Assets, the earlier of the date that (A) the Trustee is notified and (B) the Trustee becomes aware of (i) a total loss or destruction of, or damage to the whole of the Lease Assets in a particular Series or any event or occurrence that renders the whole of such Lease Assets permanently unfit for any economic use and (but only after taking into consideration any insurances or other indemnity granted in each case by any third party in respect of the Lease Assets) the repair or remedial work in respect thereof is wholly uneconomical or (ii) Axiata ceasing to have full legal ownership in the entirety of the Lease Assets;

“Total Loss Termination Event” means an event or circumstance where (i) a Series comprises Lease Assets but does not also comprise Airtime Vouchers at such time (ii) a Total Loss Event has occurred and (iii) Axiata is unable, within 45 days of the Total Loss Event occurring, to lease new assets to the Trustee pursuant to a Supplemental Headlease Agreement or (in its capacity as Wakeel) purchase Airtime Vouchers pursuant to a Supplemental Airtime Purchase Agreement, in each case for an amount at least equal to the Takaful/Insurance Coverage Amount.

“Takaful/Insurance Coverage Amount” means, at any time, and in relation to a particular Series comprising Lease Assets, an amount equal to:

(a) the aggregate of:

- (i) the Outstanding Amount;
- (ii) without duplication or double counting, an amount equal to any Wakala Services Charge Amount outstanding under the terms of the Master Wakala Agreement; and
- (iii) an amount equal to the Rental payable by Axiata as Lessee under the Supplemental Sub-Lease Agreement for the subsequent 50 day period,

less

(b) an amount equal to the aggregate of:

- (iv) the Share Value (if applicable to that Series);
- (v) the aggregate Voucher Cost Price of Airtime Vouchers owned by the Trustee but unsold by the Wakeel (if applicable to that Series);
- (vi) only one of the following (to the extent applicable to that Series):
 - (A) the outstanding Deferred Payment Price where a Murabaha Contract has been concluded pursuant to the Master Murabaha Agreement; or

(B) the outstanding Murabaha Indemnity Amount (after any reduction pursuant to the Master Murabaha Agreement), where a Murabaha Contract has not been concluded pursuant to the Master Murabaha Agreement but the Wakeel has complied with its obligations in the Master Murabaha Agreement; or

(C) the outstanding Wakala Indemnity Amount (after any reduction pursuant to the Master Murabaha Agreement), where the Wakeel has failed to comply with its obligations in the Master Murabaha Agreement;

“**Takaful/Insurances**” means the insurances which the Wakeel is required to take out, to the extent that it is reasonable and commercially practicable, in a *Shari’a* compliant manner, in relation to the Lease Assets on behalf of the Trustee in accordance with the terms of the Master Wakala Agreement; and

“**Voucher Percentage**” means, in relation to a particular Series and at any time, the ratio (expressed as a percentage) of (i) the aggregate Value of the relevant Airtime Vouchers to (ii) the aggregate Value of the Airtime Vouchers and Lease Assets at that time.

Cancellation of Sukuk held by Axiata and/or any of its Subsidiaries:

Pursuant to Condition 14(b) (*Purchase and Cancellation of Sukuk — Cancellation of Sukuk held by Axiata and/or any of its Subsidiaries*), Axiata and/or any of its subsidiaries may at any time purchase Sukuk in the open market or otherwise. If Axiata wishes to cancel such Sukuk purchased by it and/or any of its subsidiaries (the “**Cancellation Sukuk**”) or any Change of Control Sukuk, Axiata may, in accordance with the terms of the Redemption Undertaking, and following the service of a Cancellation Notice by Axiata to the Trustee, require the Trustee to cancel any Cancellation Sukuk or Change of Control Sukuk (as applicable) surrendered to it by Axiata and/or any of its subsidiaries in consideration for payment of the relevant Cancellation Amount, which may be off-set against any amount that is due and payable by Axiata to the Trustee under the Master Wakala Agreement, the Master Murabaha Agreement, the Sale Undertaking and/or the Purchase Undertaking, **provided that** any amounts to be off-set shall first be applied against any amounts due under the Master Murabaha Agreement.

Limited Recourse:

Each Sukuk of a particular Series will represent an undivided beneficial ownership interest in the Trust Assets for such Series. No amount whatsoever shall be due or payable in respect of the Sukuk except to the extent that funds for that purpose are available from the relevant Trust Assets.

Sukukholders have no recourse to any assets of the Trustee (other than the relevant Trust Assets) or Axiata (to the extent that it fulfils its obligations under the Transaction Documents to which it is a party) or the Delegate or any Agent or any of their respective affiliates in respect of any shortfall in the expected amounts from the relevant Trust Assets to the extent the relevant Trust Assets have been enforced, realised and fully discharged following which all obligations of the Trustee and Axiata shall be extinguished.

Denomination of Sukuk:

The Sukuk will be issued in such denominations as may be agreed between the Trustee and the relevant Dealer save that the minimum denomination of each Sukuk will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Specified Currency or the applicable stock exchange for such Sukuk.

Form and Delivery of the Sukuk:

The Sukuk will be issued in registered form only. The Sukuk will be represented on issue by beneficial interests in a global certificate (the “**Global Certificate**”), which will be deposited with, and registered in the name of a nominee for, a common depositary (the “**Common Depositary**”) for Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream, Luxembourg**”). Ownership interests in the Global Certificate will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg (as applicable), and their respective participants. See the section entitled “*Form of the Sukuk*”. Certificates in definitive form evidencing holdings of Sukuk (“**Definitive Certificate**”) will be issued in exchange for interests in the relevant Global Certificate only in certain limited circumstances.

Clearance and Settlement:

Sukukholders must hold their interest in the relevant Global Certificate in book-entry form through Euroclear and/or Clearstream, Luxembourg or any other clearing system as may be specified in the relevant Pricing Supplement. Transfers within and between each of Euroclear, Clearstream, Luxembourg or any other clearing system will be in accordance with the usual rules and operating procedures of the relevant clearing system.

Withholding Tax:

All payments by Axiata under the Transaction Documents to which it is a party are to be made without withholding or deduction for, or on account of, any Taxes (as defined in the Conditions) unless the withholding is required by law. In the event that any such deduction is made by Axiata as a result of any requirement of law, Axiata will be required, pursuant to the relevant Transaction Document, to pay to the Trustee additional amounts so that the Trustee will receive the full amount which otherwise would have been due and payable under the relevant Transaction Document.

All payments by the Trustee in respect of the Sukuk and the Transaction Documents shall be made without withholding or deduction for, or on account of, any Taxes (as defined in the Conditions). Axiata has agreed in the Transaction Documents that, if the Trustee is required to make any payment under the Sukuk after deduction or withholding for: (i) Taxes; or (ii) as otherwise required by applicable law and is required to pay additional amounts in respect thereof, Axiata will pay to the Trustee additional amounts to cover the amounts so deducted as would have been paid had no such deduction or withholding been required.

Listing:

Approval-in-principle has been granted for permission to deal in and quotation of Sukuk that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Sukuk have been admitted to the Official List of the SGX-ST. If the application to the SGX-ST to list a particular series of Sukuk is approved, such Sukuk listed on the SGX-ST will be traded on the SGX-ST in a minimum board lot size of at least SGD200,000 or its equivalent in any other foreign currency.

The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of any Sukuk on the SGX-ST are not to be taken as an indication of the merits of any of the Trustee and/or Axiata, the Programme or the Sukuk.

Bursa Securities has granted its approval-in-principle for the listing of the Programme under the Bursa Securities (Exempt Regime) and approval-in-principle has been obtained from Bursa Securities on 16 July 2012. The Sukuk to be issued under the Programme will be listed on Bursa Securities but will not be quoted for trading. Bursa Securities takes no responsibility for the contents of this Offering Circular, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Offering Circular. Admission to the Official List of Bursa Securities (Exempt Regime) shall not be taken to indicate that Bursa Securities recommends the subscription or purchase of the Sukuk or as an indication of the merits of any of the Trustee and/or Axiata, the Programme or the Sukuk. Investors are advised to read and understand the contents of this Offering Circular before investing. If in doubt, the investors should consult his or her adviser.

The Sukuk may also be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) as may be agreed between the Trustee and the relevant Dealer in relation to each Series.

The Trustee may issue Sukuk which are neither listed nor admitted to trading on any stock exchange or market.

The applicable Pricing Supplement will state whether or not the relevant Sukuk are to be listed and/or admitted to trading and, if so, on which stock exchange(s) and/or market(s).

Sukukholder Meetings:

A summary of the provisions for convening meetings of Sukukholders to consider matters relating to their interests as such is set out in Condition 19 (*Meetings of Sukukholders, Modification, Waiver, Authorisation and Determination*).

Tax Considerations:

See the section entitled “*Taxation*” for a description of certain tax considerations applicable to the Sukuk.

Governing Law:

The Sukuk and any non-contractual obligations arising out of or in connection with them shall be governed by English law.

Each of the Master Declaration of Trust, each Supplemental Declaration of Trust, the Agency Agreement, the Programme Agreement, the Master Murabaha Agreement, the Master Share Purchase Agreement, each relevant Supplemental Share Purchase Agreement, the Master Airtime Purchase Agreement, each relevant Supplemental Airtime Purchase Agreement, the Master Wakala Agreement, the Purchase Undertaking, the Sale Undertaking, the Redemption Undertaking, the Substitution Undertaking, the Change of Control Undertaking, each Global Certificate and any non-contractual obligations arising out of or in connection with the same will be governed by and construed in accordance with English law and subject to the exclusive jurisdiction of the English courts.

Each of the Master Headlease Agreement, each relevant Supplemental Headlease Agreement, the Master Sub-Lease Agreement, each relevant Supplemental Sub-Lease Agreement and the Transaction Agency Agreement will be governed by and construed in accordance with, the laws of Malaysia and subject to the exclusive jurisdiction of the Malaysian courts.

Transaction Documents:

The Transaction Documents are the Master Headlease Agreement, each Supplemental Headlease Agreement, the Master Sub-Lease Agreement, each Supplemental Sub-Lease Agreement, the Master Airtime Purchase Agreement, each Supplemental Airtime Purchase Agreement, the Master Share Purchase Agreement, each Supplemental Share Purchase Agreement, the Master Murabaha Agreement, the Transaction Agency Agreement, the Master Wakala Agreement, the Purchase Undertaking, the Sale Undertaking, the Redemption Undertaking, the Substitution Undertaking, the Change of Control Undertaking, the Master Declaration of Trust, each Supplemental Declaration of Trust, the Agency Agreement, the Programme Agreement, the Global Certificates and any documents specified in the applicable Pricing Supplement.

Rating:

The rating(s) of any Series of Sukuk to be issued under the Programme which is to be rated will be specified in the applicable Pricing Supplement.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**Selling and Transfer
Restrictions:**

There are restrictions on the distribution of this Offering Circular and the offer, sale or transfer of Sukuk in the United States of America, the European Economic Area, the United Kingdom, the Netherlands, Hong Kong, Malaysia, Singapore, the United Arab Emirates (excluding the Dubai International Financial Centre), the Dubai International Financial Centre, the Kingdom of Saudi Arabia, Japan, Kingdom of Bahrain and Qatar (excluding the Qatar Financial Centre) and such other restrictions as may be required in connection with the offering and sale of the Sukuk. See “*Subscription and Sale*”.

**United States Selling
Restrictions:**

Regulation S, Category 1.

Waiver of Sovereign Immunity:

Each of Axiata and the Trustee acknowledges in the Transaction Documents to which it is a party that, to the extent that it may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution before judgment or otherwise or other legal process and to the extent that such immunity (whether or not claimed) may be attributed to it or its assets or revenues, it will not claim and irrevocably and unconditionally waives to the fullest extent possible under applicable law such immunity in relation to any proceedings.

SUMMARY FINANCIAL INFORMATION

The Group's consolidated financial information as of and for the years ended 31 December 2013 (including restated comparatives of 2012) and 2014 set forth below is derived from the Group's audited consolidated financial statements for the years and as of the dates indicated (which have been audited by PricewaterhouseCoopers, Chartered Accountants) disclosed in our published audited consolidated financial statements for the years ended 31 December 2013 and 2014, respectively. The Group's published financial statements and auditor's report for the years ended 31 December 2013 and 2014 were unqualified. The summary financial information set forth below should be read in conjunction with the Group's audited consolidated financial statements for the years ended 31 December 2013 and 2014, including the notes thereto. The Group's consolidated financial statements are prepared in accordance with the provisions of Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The unaudited consolidated interim financial information as of and for the six months ended 30 June 2015 (including restated comparatives 2014) set forth below is derived from the Group's unaudited consolidated interim financial information for the period and as of the dates indicated. The summary financial information set forth below should be read in conjunction with the Group's unaudited consolidated interim financial information for the six months ended 30 June 2015, including the notes thereto.

Consolidated statement of financial position as at:

	Audited			Unaudited	
	(Restated) ¹				
	31	31	31	(Restated)*	
	December	December	December	31 December 2014	
2012	2013	2014	RM'000	U.S.\$'000**	
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	8,508,209	8,540,663	8,582,017	8,582,017	2,453,056
Share premium	2,094,125	2,223,076	2,398,794	2,398,794	685,664
Other reserves	9,498,174	8,857,846	9,763,721	9,780,038	2,795,495
Total equity attributable to owners of the Company	20,100,508	19,621,585	20,744,532	20,760,849	5,934,215
Non-controlling interests	1,906,714	1,757,486	1,813,255	1,821,483	520,647
Total equity	22,007,222	21,379,071	22,557,787	22,582,332	6,454,862
Borrowings	10,765,691	11,752,387	11,944,694	11,944,694	3,414,233
Derivative financial instruments	194,181	109,384	22,676	22,676	6,482
Deferred income	247,188	271,585	254,304	254,304	72,689
Other payable	68,417	72,119	1,793,891	1,793,891	512,760
Provision for liabilities	338,948	293,102	295,005	295,005	84,323
Deferred tax liabilities	1,418,265	1,578,687	1,700,087	1,654,298	472,859
Total non-current liabilities	13,032,690	14,077,264	16,010,657	15,964,868	4,563,346
	35,039,912	35,456,335	38,568,444	38,547,200	11,018,208
Intangible assets	8,392,514	9,548,554	12,815,706	12,977,621	3,709,481
Property, plant and equipment	16,910,358	17,106,708	19,933,487	19,750,328	5,645,370
Joint ventures	1,618	56,215	52,977	52,977	15,143
Associates	6,838,467	6,999,122	7,504,007	7,504,007	2,144,921
Available-for-sale financial assets	892	141	1,118	1,118	320
Derivative financial instruments	33,621	207,157	133,910	133,910	38,276
Long term receivables	98,750	97,533	94,638	94,638	27,051
Deferred tax assets	263,842	241,955	275,225	275,225	78,669
Total non-current assets	32,540,062	34,257,385	40,811,068	40,789,824	11,659,231
Inventories	56,455	62,805	79,533	79,533	22,733
Trade and other receivables	2,112,098	2,679,905	3,062,390	3,062,390	875,345
Derivative financial instruments	22,087	31,403	33,855	33,855	9,677
Financial assets at fair value through profit or loss	8	8	14	14	4
Tax recoverable	40,839	32,822	25,007	25,007	7,148
Deposits, cash and bank balances	7,906,204	6,432,918	5,115,570	5,115,570	1,462,218
	10,137,691	9,239,861	8,316,369	8,316,369	2,377,125
Assets directly associated with non-current assets classified as held-for-sale	252,848	—	—	—	—
Total current assets	10,390,539	9,239,861	8,316,369	8,316,369	2,377,125
LESS: CURRENT LIABILITIES					
Trade and other payables	5,730,997	6,108,805	8,374,621	8,374,621	2,393,774
Borrowings	1,892,371	1,683,988	1,948,641	1,948,641	556,993
Derivative financial instruments	—	—	3,551	3,551	1,015
Current tax liabilities	115,045	248,118	232,180	232,180	66,366
	7,738,413	8,040,911	10,558,993	10,558,993	3,018,148
Liabilities directly associated with non-current assets classified as held-for-sale	152,276	—	—	—	—
Total current liabilities	7,890,689	8,040,911	10,558,993	10,558,993	3,018,148
Net current assets/(liabilities)	2,499,850	1,198,950	(2,242,624)	(2,242,624)	(641,023)
	35,039,912	35,456,335	38,568,444	38,547,200	11,018,208

¹ There was an amendment to Malaysian Financial Reporting Standard "Property, plant and equipment" which required the Group to restate its audited 2012 property, plant and equipment and inventories.

* On 19 March 2014, XL completed the acquisition of PT Axis Telekom Indonesia ("Axis"). As at 31 December 2014, the goodwill was accounted for on a provisional basis. In March 2015, XL reassessed the purchase price allocation and retrospectively adjusted the provisional amounts recognised at the acquisition date to reflect the new information obtained about facts and circumstances that existed as of the acquisition date.

** 1USD:RM3.49850.

Consolidated statement of comprehensive income for the financial year ended:

	Audited			Unaudited	
	31 December 2012	31 December 2013	31 December 2014	(Restated)* 31 December 2014	
	RM'000	RM'000	RM'000	RM'000	U.S.\$'000**
Operating revenue.....	17,651,617	18,370,841	18,711,777	18,711,777	5,718,776
Operating costs					
— depreciation, impairment and amortisation.....	(3,339,563)	(3,435,330)	(3,671,618)	(3,639,474)	(1,112,312)
— foreign exchange (losses)/gains.....	(136,184)	8,182	(76,317)	(76,317)	(23,324)
— domestic interconnect and international outpayment.....	(2,284,257)	(2,580,197)	(2,470,796)	(2,470,796)	(755,136)
— marketing, advertising and promotion.....	(1,439,743)	(1,476,660)	(1,448,773)	(1,448,773)	(442,780)
— other operating costs.....	(5,363,165)	(5,815,918)	(6,470,915)	(6,470,915)	(1,977,670)
— staff costs.....	(1,139,955)	(1,226,943)	(1,322,718)	(1,322,718)	(404,255)
— other gains/(losses)-net.....	30,155	203,648	(41,753)	(41,753)	(12,761)
Other operating income.....	94,044	47,881	252,657	252,657	77,218
Operating profit before finance cost.....	4,072,949	4,095,504	3,461,544	3,493,688	1,067,756
Finance income.....	262,345	261,296	197,994	197,994	60,512
Finance cost					
— finance cost excluding foreign exchange losses on financing activities.....	(717,799)	(720,729)	(746,459)	(746,459)	(228,136)
— Net foreign exchange losses on financing activities.....	(66,214)	(358,118)	(137,560)	(137,560)	(42,042)
	(784,013)	(1,078,847)	(884,019)	(884,019)	(270,178)
Joint ventures					
— share of results (net of tax).....	(1,577)	5,329	(24,992)	(24,992)	(7,638)
Associates					
— share of results (net of tax).....	234,950	270,823	407,213	407,213	124,454
— loss on dilution of equity interests.....	(22,860)	(21,066)	(43,284)	(43,284)	(13,229)
Profit before taxation.....	3,761,794	3,533,039	3,114,456	3,146,600	961,677
Taxation.....	(882,217)	(794,462)	(770,043)	(778,079)	(237,800)
Profit for the financial year.....	2,879,577	2,738,577	2,344,413	2,368,521	723,877
Other comprehensive expense income:					
Items that will not be reclassified to profit or loss:					
— actuarial losses on defined benefits plan, net of tax.....	(6,592)	5,593	(12,347)	(12,347)	(3,774)
Items that may be reclassified subsequently to profit or loss:					
— currency translation differences.....	(586,456)	(491,600)	455,035	455,472	139,203
— cash flow hedge.....	—	—	(986)	(986)	(301)
— net investment hedge.....	(40,354)	(35,280)	21,588	21,588	6,598
Other comprehensive income for the financial year, net of tax.....	(633,402)	(521,287)	463,290	463,727	141,726
Total comprehensive income for the financial year.....	2,246,175	2,217,290	2,807,703	2,832,248	865,603
Profit for the financial year attributable to:					
— owners of the Company.....	2,513,285	2,550,021	2,348,665	2,364,976	722,794
— non-controlling interests.....	366,292	188,556	(4,252)	3,545	1,083
	2,879,577	2,738,577	2,344,413	2,368,521	723,877
Total comprehensive income for the financial year attributable to:					
— owners of the Company.....	2,047,141	2,242,481	2,724,321	2,740,923	837,693
— non-controlling interests.....	199,034	(25,191)	83,382	91,325	27,910
	2,246,175	2,217,290	2,807,703	2,832,248	865,603
Earnings per share (sen)					
— basis.....	29.6	29.9	27.4	27.6	8.4
— diluted.....	29.5	29.7	27.2	27.4	8.4
EBITDA ⁽¹⁾	7,424,497	7,271,123	6,998,575	6,998,575	2,138,935

* On 19 March 2014, XL completed the acquisition of Axis. As at 31 December 2014, the goodwill was accounted for on a provisional basis. In March 2015, XL reassessed the purchase price allocation and retrospectively adjusted the provisional amounts recognised at the acquisition date to reflect the new information obtained about facts and circumstances that existed as of the acquisition date.

** 1USD:RM3.27199

(1) Please refer to Page 129 for an explanation on the use of adjusted EBITDA.

Consolidated statement of financial position as at:

	Unaudited 30 June 2015	
	RM'000	U.S.\$'000*
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital.....	8,607,578	2,274,730
Share premium.....	2,490,619	658,197
Other reserves.....	10,109,319	2,671,596
Total equity attributable to owners of the Company	21,207,516	5,604,523
Non-controlling interests.....	1,850,064	488,918
Total equity	23,057,580	6,093,441
Borrowings	11,650,401	3,078,859
Derivative financial instruments.....	9,623	2,543
Deferred income	237,091	62,656
Other payable	1,812,928	479,104
Provision for liabilities	315,084	83,267
Deferred tax liabilities	1,583,989	418,602
Total non-current liabilities	15,609,116	4,125,031
	38,666,696	10,218,472
Intangible assets	13,174,144	3,481,539
Property, plant and equipment.....	20,642,152	5,455,114
Joint ventures	92,419	24,424
Associates.....	7,858,132	2,076,673
Available-for-sale financial assets	1,170	309
Derivative financial instruments.....	109,425	28,918
Long term receivables.....	88,967	23,511
Deferred tax assets.....	214,747	56,751
Total non-current assets	42,181,156	11,147,239
Inventories.....	125,177	33,081
Trade and other receivables.....	3,423,850	904,823
Derivative financial instruments.....	116,840	30,877
Financial assets at fair value through profit or loss.....	25	7
Tax recoverable.....	31,320	8,277
Deposits, cash and bank balances.....	5,446,969	1,439,474
Total current assets	9,144,181	2,416,539
LESS: CURRENT LIABILITIES		
Trade and other payables	8,701,645	2,299,589
Borrowings	2,414,899	638,187
Derivative financial instruments.....	1,636	432
Current tax liabilities.....	335,460	88,652
Dividend payable	1,205,001	318,446
Total current liabilities	12,658,641	3,345,306
Net current liabilities	(3,514,460)	(928,767)
	38,666,696	10,218,472

* 1USD:RM3.78400

Consolidated statement of comprehensive income for the financial period ended 1 January to 30 June:

	Unaudited		
	(Restated)		
	2014	2015	
	RM'000	RM'000	U.S.\$'000*
Operating revenue	9,245,455	9,457,916	2,600,801
Operating costs			
— depreciation, impairment and amortisation	(1,716,965)	(1,983,820)	(545,524)
— foreign exchange (losses)/gains	(173,481)	35,857	9,860
— domestic interconnect and international outpayment	(1,191,032)	(1,080,700)	(297,178)
— marketing, advertising and promotion	(724,112)	(666,143)	(183,180)
— other operating costs	(3,138,174)	(3,613,306)	(993,611)
— staff costs	(660,951)	(641,451)	(176,390)
— other (losses)/gains-net	(47,375)	65,740	18,078
Other operating income	24,466	140,615	38,667
Operating profit before finance cost	1,617,831	1,714,708	471,523
Finance income	104,113	110,426	30,366
Finance cost			
— finance cost excluding foreign exchange gains/(losses) on financing activities	(385,500)	(351,873)	(96,760)
— Net foreign exchange gains/(losses) on financing activities	15,732	(272,302)	(74,879)
	(369,768)	(624,175)	(171,639)
Joint ventures			
— share of results (net of tax)	(12,413)	(3,928)	(1,080)
Associates			
— share of results (net of tax)	212,633	286,363	78,746
— loss on dilution of equity interests	(11,546)	(9,253)	(2,544)
Profit before taxation	1,540,850	1,474,141	405,372
Taxation	(407,008)	(308,396)	(84,805)
Profit for the financial period	1,133,842	1,165,745	320,567
Other comprehensive expense income:			
Items that will not be reclassified to profit or loss:			
— actuarial losses on defined benefits plan, net of tax	(5,291)	4,265	1,173
Items that may be reclassified subsequently to profit or loss:			
— currency translation differences	(118,933)	470,151	129,285
— cash flow hedge	(1,817)	(528)	(145)
— net investment hedge	21,817	(60,771)	(16,711)
Total comprehensive income for the financial period	1,029,618	1,578,862	434,169
Profit for the financial period attributable to:			
— owners of the Company	1,129,890	1,195,597	328,775
— non-controlling interests	3,952	(29,852)	(8,208)
	1,133,842	1,165,745	320,567
Total comprehensive income for the financial period attributable to:			
— owners of the Company	1,032,360	1,566,004	430,632
— non-controlling interests	(2,742)	12,858	3,537
	1,029,618	1,578,862	434,169
Earnings per share (sen)			
— basis	13.2	13.9	4.0
— diluted	13.1	13.8	4.0
EBITDA ⁽¹⁾	3,531,186	3,456,316	950,441

* 1USD:RM3.63654

(1) Please refer to Page 129 for an explanation on the use of adjusted EBITDA.

DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with the following:

- (a) the audited consolidated financial statements (including the auditors' report thereon and notes thereto) of the Group in respect of the financial years ended 31 December 2013 (including restated comparatives of 2012) and 2014 (set out on pages 208 to 345, and pages 94 to 239, respectively, of the 2013 and 2014 annual reports of Axiata);
- (b) the unaudited consolidated interim financial information of the Group in respect of the six months ended 30 June 2015 (including restated comparatives of 2014) (set out on pages 1 to 27 of the unaudited consolidated interim information of the Group for the financial period ended 30 June 2015);
- (c) each relevant Pricing Supplement;
- (d) all amendments and supplements from time to time to this Offering Circular; and
- (e) the most recently published audited consolidated financial statements (including the auditors' report thereon and notes thereto) and any interim unaudited consolidated financial information of the Group published subsequently to the date of this Offering Circular from time to time,

each of which shall be deemed to be incorporated in, and to form part of, this Offering Circular and which, in the case of documents specified in paragraphs (c), (d) and (e) above, shall be deemed to modify or supersede the contents of this 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, this 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 this Offering Circular. The documents, specified in items (a), (b) and (e) above will also be published by Axiata on the website of Bursa Securities (www.bursamalaysia.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.

RISK FACTORS

Each of the Trustee and Axiata believes that the following factors may affect its ability to fulfil its obligations relating to the Sukuk issued under the Programme. 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 Sukuk issued under the Programme are also described below.

Each of the Trustee and Axiata believes that the factors described below represent the principal risks inherent in investing in the Sukuk issued under the Programme, but the inability of the Trustee to pay Periodic Distribution Amounts, Dissolution Amounts or other amounts on or in connection with any Sukuk or to pay any amount in respect of the Dissolution Amounts or other amounts on or in connection with any Sukuk may occur for other reasons which may not be considered significant risks by the Trustee or Axiata based on information currently available to them or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

Although the Trustee and Axiata believe that the various structural elements described in this Offering Circular lessen some of these risks for Sukukholders, there can be no assurance that these measures will be sufficient to ensure payment to Sukukholders of any Periodic Distribution Amount or the Dissolution Amount in respect of the Sukuk of any Series on a timely basis or at all.

Words and expressions defined in “Form of the Sukuk” and “Terms and Conditions of the Sukuk” shall have the same meanings in this section.

RISK FACTORS RELATING TO THE TRUSTEE

The Trustee has a limited operating history and no material assets and will depend on receipt of payments from Axiata to make payments to Sukukholders

The Trustee is a public company with limited liability incorporated under the laws of Malaysia on 4 June 2012 and has a limited operating history. The Trustee will not engage in any business activity other than participating in the transactions contemplated by the Transaction Documents.

The Trustee’s only material assets, which will be held on trust for Sukukholders, will be the relevant Trust Assets relating to each Series of Sukuk, including its rights to receive payments from Axiata under the Transaction Documents. Therefore, the Trustee is subject to all the risks to which Axiata is subject to the extent that such risks could limit Axiata’s ability to satisfy in full and on a timely basis its obligations under such documents.

The ability of the Trustee to pay amounts due on the Sukuk will be dependent upon receipt by the Trustee from Axiata of all amounts due under the Transaction Documents for the relevant Series (which in aggregate may not be sufficient to meet all claims under the relevant Sukuk and the Transaction Documents).

Further, Axiata is the ultimate holding company of all of the relevant operating companies. Axiata relies solely on the upstreaming of dividends and management fees payable by the Group’s various shareholdings in the operating companies to generate investment holding revenues. The ability of Axiata to pay all amounts due under the Transaction Documents to the Trustee will depend upon the financial performance of each of the operating companies.

RISK FACTORS RELATING TO THE REGULATORY ENVIRONMENTS IN WHICH THE GROUP AND ITS BUSINESSES OPERATE

The Group is subject to licensing requirements and operates in a regulated industry

The Group's operation of mobile telecommunications networks and the provision of related services are subject to stringent statutory licensing requirements and regulated to varying degrees by national, state, regional or local governmental and/or regulatory authorities in each of the jurisdictions in which the Group operates and/or has investments. The Group's operating licences specify the services it can offer and in some instances specify the spectrum allocated to the Group although increasingly, spectrum allocations are specified in spectrum licences or spectrum assignments, separate from operating licences. Notwithstanding, these licences are subject to renewal, review, interpretation, modification or termination by the relevant authorities. New conditions and obligations may be imposed for new licences and upon renewal of expiring licences and such conditions and obligations may be more onerous than those of existing or expiring licences. There is no assurance that the relevant authorities will not take any action that could materially and adversely affect the Group. Certain of its operating licences contain obligations with respect to network roll-out and population coverage. Failure to meet such obligations stipulated in the relevant operating licences may result in such licences being suspended and eventually revoked and/or financial penalties being imposed. There can be no assurance that the Group will be able to identify and rectify every breach by it when such a breach occurs due to the scale of its operations. The Group's operating licences are generally renewable upon expiry, provided that the licensee has complied with the terms and conditions of its licence, applicable laws and regulatory instruments. However, there is no assurance that such licences will be renewed, or that any renewal on new terms will be commercially acceptable to the Group or continue to be commercially viable, or that such licences will continue to provide the same level of returns for the Group. The cost of procuring such new licences or the renewal of expiring licences may be substantially higher than that estimated by the Group. The Group must renew certain licences annually and has to renew on a cyclical basis a number of material licences that have been granted to its operating companies (see "*Annex A — Key Licences*").

For example, a key licence held by M1 in relation to the 900 MHz spectrum which it relies on to operate its network bandwidth could be affected by future plans of the regulators to introduce competition in the form of a fourth operator in Singapore in 2016. Any material change to the regulatory environment within the Singaporean telecommunications sector could have significant impact on M1's operations and performance.

Adverse terms and conditions on services offered by the Group's subsidiaries and associates could be imposed on renewed licences by the relevant authorities, certain of which could affect the profitability of the Group's subsidiaries and associates.

Any failure to obtain new licences, delay in the renewal of existing licences or a change in the authorisation under which it is operating, could impede the ability of the Group to continue to operate the affected business, and the realisable value of its relevant network infrastructure and related assets may be adversely affected.

For example in Bangladesh, the National Board of Revenue ("**NBR**") during the 2012 2G licence renewal process imposed value-added tax ("**VAT**") on mobile operators' licence fees, revenue sharing and spectrum fees, which prompted mobile operators including Robi to seek legal recourse. Legal proceedings relating to the introduction of VAT by the NBR in relation to the 2G licences are still proceeding as at the date of this Offering Circular.

For the auction of the 3G spectrum, a compromise was reached where mobile operators agreed with the NBR to pay a lower VAT rate. However, the outstanding VAT issue from the 2G licence renewal process is one of the several factors causing the Bangladesh Telecommunication Regulatory Commission to delay the auction of additional spectrum.

Changes in laws, regulations or government policy in the countries where the Group has licences to operate, or in which it has an interest in a business holding such a licence, or changes in the terms of the licences held by it or its competitors or the allocation of new or additional licences to its existing or potential competitors, could also adversely affect the Group's business, results of operations and prospects, particularly if any such changes result in an increase in competitive intensity, reductions in prices or changes in price structures, reduction or revocation of spectrum, inability to or delay in obtaining additional spectrum, regulation of interconnection fees, or a requirement that its operating companies open up their access networks and/or infrastructure to its competitors. For example, in Malaysia, Celcom is required to provide access to its network infrastructure and/or network services, including base station and transmission sites, in-building common antenna systems, network co-location services and access to Mobile Virtual Network Operator ("MVNO") services, to its competitors. Although revenues are received from competitors seeking access to cover costs, such regulations enable competitors, in particular, new market entrants, to gain easier access to the market. Terms and conditions of access to MVNO services including pricing are currently commercially negotiated but there is no assurance that such rates and terms will not be regulated in future following the recently mandated access to MVNO services.

As technologies develop, the new services that arise may be subject to licensing by the relevant regulators. Increased demand for data has led to the need for 3G and 4G spectrums to deliver that service and a consequent requirement for licensing of such spectrums. There is no assurance that the Group will be able to obtain such licences and spectrum assignments or that it will be able to do so on terms commercially favourable to the Group. If the Group fails to secure relevant licences and spectrum assignments, it may be at a competitive disadvantage to its rivals who may be able to differentiate their products with enhanced offerings. Further, even if relevant licences and spectrum assignments with respect to new technologies are obtained by the Group, there is no guarantee that the Group will be able to efficiently utilise the spectrum it is allocated in a commercially viable manner or that there will be sufficient spectrum allocated to the Group or that there will be no onerous conditions imposed in the allocation of such spectrum. The failure by the Group to operate these networks, which may become widespread over time with more users switching to such networks, may adversely affect the growth, financial condition, results of operations and prospects of the Group.

The Group also acknowledges that concerted efforts by the authorities in Indonesia, Bangladesh and Cambodia to mandate the registration of Subscriber Identification Module ("SIM") cards might result in unfavourable consequences towards the Group's business operations in the respective countries. For example in Cambodia, mobile operators are required to register new as well as existing SIM cards by December 2015 failing which the unregistered SIM cards will be deactivated and retailers could be implicated for their failure to register new customers. Similarly in Bangladesh, all mobile phone operators are required to re-register all SIM cards using bio-metric method from November 2015 onwards, while the Government of Indonesia has announced its intention to introduce SIM registration in December 2015. This may potentially result in a decline in subscriber growth as well as lower subscriber base eventually as a result of higher subscriber deactivation in the affected subsidiaries.

The Group's mobile operations are dependent upon the availability of spectrum, the ability to fund the acquisition of such spectrum may be affected if spectrum is priced beyond its financial means

Radio spectrum is a finite resource and the size and capacity of the Group's mobile networks are limited by the amount of radio spectrum allocated to the Group by the regulatory authorities in the countries where it operates. Regulatory authorities may recall and reassign or re-allocate any spectrum allocation or assignment previously granted where it is in their discretion to do so, including the reallocation of spectrum which is currently held by an existing operator to a new market entrant.

Should there be changes in spectrum allocation policy or practice as a result of licence/spectrum renewal, spectrum re-farming or any legal/judicial process which leaves the Group's mobile operations with less spectrum, this may result in the Group having to incur more capital expenditure to obtain more equipment or modify the affected networks to adjust to the change in spectrum held. Further, certain parts of the Group's networks are located in dense urban areas and radio frequency engineering techniques are needed to increase the average network capacity on the networks in these areas in order to deal with the high density usage and to maintain mobile network quality. Due to the Group's high number of subscribers, minutes of use ("MOU") and high data usage, these techniques may be insufficient to maintain mobile service quality that is comparable to the Group's competitors. Should the Group's radio spectrum holdings prove inadequate in the future and securing additional spectrum is limited by prohibitively-priced spectrum and/or by its financial ability, the expansion of its businesses may be affected. Any failure by the Group to retain, extend the tenure and/or acquire additional radio spectrum, or to maintain and improve mobile service quality based on its current spectrum allocation, on a timely basis and on commercially acceptable terms, or if it is unable to secure the required approval to use existing spectrum for 4G (as a result of the absence of technology neutrality), could have a material adverse effect on its business, financial condition, results of operations and prospects.

Further, in the event that any of the Group's competitors acquire greater spectrum allocations than it in the future, particularly with the launch of 4G / Long Term Evolution ("LTE") services necessary to provide improved data services, if the Group is not able to continue to utilise its spectrum capacity successfully or in a timely manner, if it cannot finance the requisite incremental capital expenditure to utilise such spectrum capacity successfully, or if it is unable to effectively roll-out 4G given its insufficient spectrum holdings in the requisite spectrum blocks, or if it cannot obtain additional spectrum from the regulatory authorities as and when needed, it may experience difficulty in attracting and retaining subscribers, which could have a material adverse effect on its results of operations, financial condition and prospects.

The Group is exposed to risks relating to the legalisation and relocation of its existing BTS and transmission sites

In order to support its mobile networks, Celcom, XL, Dialog, Robi and Smart have established certain network infrastructure, including physical structures for both transmission towers and rooftop sites ("Outdoor Structures") on which transmission equipment (2G Base Transceiver Stations ("BTS"), 3G BTS, 4G BTS and microwave links) are located. These Outdoor Structures require approvals and licences from the local authorities and/or relevant government ministries. Given the rapid deployment of the Outdoor Structures required to support its network growth in the past and the long lead time generally required to obtain such approvals and licences in certain countries, the Group has a significant number of Outdoor Structures which have been installed, and operations have commenced in respect of such Outdoor Structures while pending submission to or approval from the local authorities and relevant government ministries. The lack of approvals has in certain cases resulted in the local authorities or relevant government ministries issuing notices to dismantle the Outdoor Structures which were then relocated. There is no assurance that the local authorities or the relevant government ministries will not take any action to shut down such sites and impose penalties on the Group for such non-compliance.

Further, as many state and local government laws and regulations relating to the establishment of such sites were generally unclear and subject to interpretation in the past, the increasing establishment and adoption of new by-laws, regulations and guidelines by government and/or local authorities to regulate the establishment and the operation of the Outdoor Structures may result in the Group being required to pay fines or to dismantle or relocate certain sites which do not comply with the new policies and guidelines. The Group has also experienced local opposition to the building of certain Outdoor Structures because of concerns about alleged health risks. As a result of such opposition, the Group has in some instances been required, and may in the future be required, by the local authorities to remove and relocate certain Outdoor Structures.

Apart from the significant costs involved in dismantling existing Outdoor Structures and the disruption caused to the Group's operations while establishing new Outdoor Structures, new regulations such as tower ownership and site sharing arrangements may provide competing operators with an opportunity to establish a presence with a low cost entry in certain areas where the Group operates.

In addition, the Group may be required to relocate existing switching centres and/or data centres upon the expiration of tenancies for such sites if it is unable to obtain renewals of such tenancies or if such renewals are at unfavourable rates. Such relocation could also involve significant costs.

Changes to policies and rules pertaining to foreign ownership in Malaysian telecommunications business that could render the Group non-compliant may result in sanctions

The Malaysian Communications and Multimedia Commission ("MCMC") has indicated that foreign equity restrictions applicable to the Group's Malaysian subsidiaries holding individual licences issued under the Communications and Multimedia Act, 1998 ("CMA") are currently as follows:

- (a) the maximum foreign shareholding for a content applications service provider individual licensee is 30 per cent.; and
- (b) the maximum foreign shareholding for a network facilities provider individual licensee and a network service provider individual licensee is 49 per cent.

Holders of the above licences are required to have a minimum of 30 per cent. Bumiputera shareholding.

The foreign investment policies for the communications sector may change from time to time, rendering the Group non-compliant until such time as the Group can make the relevant adjustments to conform.

Non-compliance with any individual licence condition as a result of changes in existing rules and regulations, including those pertaining to foreign shareholding restrictions, may result in the suspension or cancellation of the individual licences.

Changes in Indonesian foreign ownership rules and in free-float requirements on the Indonesia Stock Exchange rendering XL non-compliant may result in unknown penalties, administrative sanctions, revocation of licences or require foreign shareholders of XL to divest their shareholdings

Pursuant to Presidential Decree No.39 of 2014 (the "**Presidential Decree**"), the telecommunications industry in Indonesia is among a list of industries and business fields in which foreign investment is prohibited, restricted or subject to the fulfilment of certain conditions as stipulated by the applicable Government authorities. The Presidential Decree stipulates a list of businesses closed or opened with reservation to foreign investment (the "**Negative List**"). The Negative List is issued as the implementation of Law No. 25 of 2007 on Capital Investment (the "**Investment Law**") and is further implemented by the Indonesian Investment Coordinating Board (the "**BKPM**"). Foreign investment in the telecommunications industry is subject to various limitations on foreign shareholdings. Limitations on foreign shareholdings in companies engaged in the telecommunications network business range from 49 per cent. to 65 per cent., and limitations on foreign shareholdings in Indonesian companies engaged in the provision of telecommunications and multimedia services (including data communications such as broadband mobile service) range from 49 per cent. to 65 per cent. Whilst XL is engaged in the telecommunications network business and its foreign shareholdings

(not including its public float) is greater than 65 per cent., Axiata and XL believe that since Axiata's investment in XL, as controlling shareholder, was approved by the BKPM prior to the effective date of the Presidential Decree, the restrictions set forth in the Presidential Decree should not apply to Axiata.

As a publicly listed company, XL also believes that the Negative List does not apply to it, since article 5 of the Presidential Decree states that the negative list provision is not applicable to indirect or portfolio investment through domestic capital markets. Axiata and XL also believe that their position in this matter is consistent with the existing practices on the implementation and interpretation of the Presidential Decree and the Investment Law. Note, however, that the Presidential Decree and the Investment Law, as well as how their provisions are interpreted and implemented, are subject to changes. If XL is found to be in breach of such regulations as a result of changes in existing rules, it may be subject to administrative sanctions in the form of warning letters, limitation or suspension of its business activities, or revocation of its licences pursuant to which XL may be required to cease its business activities. The regulatory authorities may prohibit XL from participating in bidding for or obtaining further licences or additional spectrum. In addition, the authorities may also require existing foreign shareholders of XL to divest their holdings. Any of these events may result in a breach of the loan facilities governing XL's significant indebtedness. Upon the completion of the private placement (including the over-allotment option) by Axiata of part of its shareholding in XL on 14 April 2010, not less than 80.0 per cent. of the shares in XL were held by foreign investors, with Axiata indirectly holding 66.7 per cent. Following XL's acquisition of Axis in 2014, Axiata's indirect holding is 66.43 per cent. Any further sell down required of the Group may adversely affect the Group's financial condition, results of operations and prospects, as the Group could cease to be the controlling shareholder of XL. Furthermore, there may be a limited market for such shares and there is no assurance that the Group will be able to sell its shares in XL at commercially acceptable prices.

Celcom is subject to universal service provision ("USP") obligations and to the uncertainty in calculation of USP fees

In Malaysia, all licenced network facilities providers, network service providers and applications service providers are subject to USP obligations under relevant USP regulations. Generally, the objective of USP is to promote the widespread availability and use of network services and/or applications services throughout Malaysia through installation of network facilities and the provision of services in underserved areas or for underserved groups within the community. Under the USP regulations, operators are required to contribute to a USP fund at a rate of 6 per cent. of net revenue derived from designated services unless their total net revenue for the previous calendar year derived from designated services was less than RM2 million or they hold only a content application service provider licence. Despite the prescribed formula, the calculation of USP fees has been subject to dispute in the past between operators and the MCMC. Any decision by the MCMC on the net revenue calculation methodologies may result in Celcom having to pay retrospective fees for items subject to dispute or effectively higher fees in the future.

Changes to the MSAP may have an adverse effect on the Group's revenues and costs

The current Mandatory Standard on Access Pricing ("MSAP") which was issued in December 2012, prescribes maximum prices for certain wholesale facilities and services on the Access List in Malaysia, namely fixed network origination service, fixed network termination service, mobile network origination service, mobile network termination service, interconnect link service, wholesale local leased circuit service, domestic connectivity to international services, network co-location service and transmission service. Following the issuance of the latest Access List in August 2015 which also introduces new facilities and services, the MSAP will be undergoing a review to revisit the access pricing of the existing facilities and services as well as new facilities and services on the Access List. At this stage, the potential outcome of this review in terms of new access pricing for both

existing and/or new facilities and services or which facilities and services' pricing will be regulated moving forward is unknown. In the worst case scenario, the review of the MSAP may have an adverse impact on Celcom's wholesale revenue and cost if changes to the MSAP are not in Celcom's favour.

Celcom may be subject to increasing regulatory scrutiny and the imposition of disproportionate fines/penalties

The MCMC has confirmed that they are currently reviewing the Communications and Multimedia Act 1998 ("CMA 1998") with its implementation anticipated by 2016. Whilst the full impact of the revised CMA 1998 is unclear, penalties for non-compliance could potentially be significantly higher than those applicable under the current penalty regime. During the first 6 months of 2015, Celcom has been notified of 4 cases on prepaid registration and 3 cases on Quality of Service breaches by MCMC and fined RM330,000.

Implementation of Goods and Services Tax in Malaysia has impacted Celcom's business

Malaysia introduced a Goods and Services Tax ("GST") of 6.0 per cent. from 1 April 2015 to replace the Sales and Service Tax. The new tax regime has the potential to reduce consumer demand for Celcom's prepaid services as mobile network operators ("MNOs") have previously absorbed the 6 per cent. Service Tax on prepaid services to promote and boost take-up rate of prepaid services.

In line with industry performance, Celcom's overall revenue decreased in the second quarter of 2015 due to stiff competition with increased pressure to reduce prices as well as weak prepaid reload sales post GST implementation. The latter is mainly due to:

- i. confusion over GST treatment on prepaid reload cards amongst customers and the authority, resulting in dealers refusing to sell reloads;
- ii. raids by officials on dealers and distributor outlets to cut-out elements of profiteering, and
- iii. modest over-stocking by prepaid customers towards the end of March 2015.

During the tabling of the 2016 Budget in Parliament, the government announced that, effective from 1 January 2016 to 31 December 2016, mobile phone prepaid users will receive a rebate for any GST paid previously. While the government did not reveal how the rebates will be calculated or how they will be credited into the accounts of mobile prepaid users, the implementation of this directive may result in additional GST cost to Celcom.

Implementation of additional taxes in Sri Lanka may impact Dialog's business

The Sri Lankan Parliament approved the Super Gains Tax and Mobile Telephone Operator Levy in October 2015 during a parliamentary sitting to facilitate the interim budget proposals announced earlier in January 2015. Accordingly, the one off tax of 25% applies on profits exceeding LKR2,000 million before tax as per audited financial statements for the year of assessment 2013/2014 by any company or individual and a one-off Mobile Telephone Operator levy of LKR250 million applies to all licenced mobile telephone operators. The above taxes and levies will impact Dialog and Axiata Group's overall financial performance in FY 2015.

Income tax demands raised on Idea in 2015

The Group is subject to the tax laws and regulations applicable in each of the markets in which it operates or invests in and there is no assurance that disputes will not arise with the relevant tax authorities, in particular as the Group continues to pursue its expansion strategy. For example, during the financial period ended 30 June 2015, Idea received two demands from income tax authorities in respect of its income tax returns for the financial years 2008/09 and 2009/10 amounting to RM2,024.0 million (INR34,147.0 million) and RM379.8 million (INR6,408.0 million) respectively. The tax

demands are in relation to the difference between the fair value of Idea's investment made in Indus Towers Limited and the net book value of the assets transferred to Idea Infrastructure Services Limited (a wholly-owned subsidiary of the Idea, which pursuant to a high court approved scheme of merger was merged with Indus Towers Limited). Idea has filed an appeal against these demands at the Commissioner of Income Tax appeals.

While the outcome is uncertain at this juncture, the potential exposure to Axiata by virtue of its share of the contingent liability (19.78 per cent as at 30 June 2015) is approximately RM475.47 million.

Impact of stringent personal data protection acts in the Group's operating jurisdictions

Axiata Group seeks to increasingly use customer data to support new digital services, including for targeted mobile advertising and data analytics. At the same time, international and national regulatory and consumer concerns over privacy is increasing, for example in Malaysia with the enforcement of the Personal Data Protection Act 2010 ("PDPA") and in Singapore with the enforcement of the Personal Data Protection Act 2012, where consent of the individual concerned for the processing, storage, handling and use of his/her personal information, with certain exceptions, is a central feature of these privacy legislations. If the Group is prevented from sharing customer data under applicable legislation in the countries in which it operates, such a restriction may impact the effectiveness of any digital services offering by the Group, for example, its ability to offer targeted advertising to third parties.

While most countries within the Group's footprint have yet to implement a PDPA-equivalent legislation, regulators have either imposed privacy protection requirements through licence conditions and/or raised awareness on upholding data privacy and in some jurisdictions, are in the process of enacting equivalent legislation in the foreseeable future. In addition, the relevant regulators may also prescribe rules and regulations from time to time to clarify or add to provisions in privacy legislation. These developments or emerging requirements may increase the risk of non-compliance by Axiata Group as a result of failure to prescribe adequate or timely internal measures to protect personal data and meet regulators' and consumers' expectations over the treatment of customer data. This non-compliance may result in penalties, negative customer perception, loss of revenue, impact to reputation and implications on the Group's competitive position.

RISK FACTORS RELATING TO THE INDUSTRY IN WHICH THE GROUP AND ITS BUSINESSES OPERATE

The Group faces strong competition in the markets in which it operates

The Malaysian, Indonesian, Sri Lankan, Bangladeshi, Cambodian, Indian and Singaporean telecommunications sectors are fully liberalised and as a result, competition in these markets has been keen and has been increasing in recent years between both existing and new telecommunications operators. The market for mobile services in many of the countries in which the Group operates is highly competitive. Increased competition from existing and new mobile operators and Over The Top ("OTT") services has resulted in, and is expected to continue to result in, greater price competition and competitive product offerings in voice and mobile data services, with operators lowering monthly subscription fees and tariffs, providing handset subsidies and offering more attractive product and service packages. Prices and average revenue per unit ("ARPU") for certain services offered by some of the Group's international operations have experienced significant declines in recent years and are anticipated to continue to decline as a result of capacity additions, new technologies, new market entrants and general price competition. The management of the Group continuously monitors the development of the domestic business environment and is taking measures to ensure that the Group remains competitive.

Apart from competition from other mobile operators and OTT services, there is also a growing trend in some of the countries in which Axiata operates for governments and regulatory authorities to intensify market competition by allowing non-mobile operators such as fixed broadband and fixed wireless operators access to spectrum, as well as the approval to provide wider range of services in order to compete with mobile operators. For example in Malaysia, the country's fixed broadband operator, TM has recently been awarded spectrum to offer mobile broadband services in order to fulfil its convergence aspirations. The entry of TM into the mobile space in Malaysia will further intensify competition in an already crowded and fragmented mobile market. In Bangladesh, the government allows fixed line operators to provide IP telephony and IPTV services and awarded licences and allocated LTE spectrum to non-mobile operators.

The increased competition in certain markets has also resulted in a higher churn rate and increased subscriber acquisition costs. Most of the Group's customers are prepaid subscribers and may hold multiple SIM cards, thus dividing their spending for mobile services among several telecommunications providers and leading to higher churn rates. Further, the emergence of non-traditional OTT service providers that provide free VoIP calling and messaging could impact the Group's core revenue base. Changes in subscriber behaviour or competition could lead to a decline in the Group's existing subscriber base as subscribers choose to receive mobile services from such other providers, or result in lower revenues from competitive pricing policies, increased selling costs to attract or replace subscribers, or a decrease in the rate at which the Group attracts new subscribers, any of which could adversely affect the Group's financial condition, results of operations and prospects. The Group is proactively exploring mitigation strategies to ensure that the impact of substitution is minimised, such as a data-led pricing approach.

In addition to the Group's mobile telecommunication services, there has been an increasing trend of subscribers' spending behaviour shifting from basic mobile voice communication to mobile data services to enable browsing and provide access to social networking, lifestyle and other value added data services. Providers in the industry are improving technologies and infrastructure to facilitate the provision of such services and continue to compete for subscribers. The Group is making appropriate investments, continuously reviewing and making changes proactively to its business model to meet the spending behaviour of its subscribers and ensuring the long term competitiveness and financial performance of the Group.

In recent years, the use of smartphones has become increasingly prevalent, networks have improved significantly and consumers have become more sophisticated. As such, device manufacturers, web service and OTT providers (e.g. Facebook, Apple and Google) have emerged as a potential threat to mobile operators. However, at the same time, where the Group has been able to offer these devices on its networks, these new devices and web services have been the catalyst for strong data growth, which has in turn increased non-voice revenue, and will remain one of the key growth drivers in the coming years. This presents a unique risk and opportunity. The Group is working to manage and capitalise on the trend by actively investing in network modernisation and working with other operators in terms of network sharing to reduce costs and provide adequate services to keep pace with customer demand. With respect to mitigating substitution risk, the Group is looking to actively partner with new service providers in a manner that is mutually beneficial. At the same time, the Group is continuously developing new innovative pricing models to ensure it mitigates threats on traditional service revenue by bundling data and voice services.

The Group's position in each of the markets in which it operates will also depend on effective marketing initiatives and the Group's ability to anticipate and respond to various competitive factors affecting the industry, including new services, pricing strategies by competitors, changes in consumer behaviour and preferences and economic, political and social conditions in the countries in which it operates. Any failure by the Group to compete effectively, including in terms of pricing of services, acquisition of new subscribers and retention of existing subscribers, could have a material adverse effect on its financial condition, results of operations and prospects.

The Group may also be subject to competition from providers of new communications services as a result of technological development. The introduction of any such new services is likely to result in a decline in the Group's revenue and/or market share and an adverse effect on its financial condition, results of operations and prospects.

The Group's international operations may not be successful and it faces difficulties and risks when commencing businesses in new markets or expanding its operations in certain emerging markets

A key element of the Group's strategy is to take advantage of financial, strategic and operational synergies arising from the consolidation of the mobile businesses of its subsidiaries, associated companies, jointly-controlled entities and investee companies. In order to successfully exploit and leverage such synergies, the Group is required to streamline and integrate some of the operations and systems of its various operating companies, which have historically operated as individual entities. There is no assurance that the Group will be able to generate synergies from these businesses and be successful in continuing to grow its regional footprint. Any delay or failure to achieve these objectives may have a material adverse effect on the Group's financial condition, results of operations and prospects.

In addition, the Group may be unable to successfully transplant and adopt its business model developed in Malaysia and other key markets into new or existing ventures due to differences in market structure and regulatory environments. The rapid development and establishment of mobile telecommunications businesses in new markets may also raise unanticipated operational, control or other risks. The Group may be unable to profitably manage new ventures and may incur substantial costs and experience delays or other operational or financial problems in trying to do so, and it may incur additional debt or assume contingent liabilities as a result. It may also face changes in the regulations it faces in different countries, which may have a material adverse effect on its business, financial condition, results of operations and prospects.

Another key element of the Group's business strategy involves the expansion of the Group's mobile telecommunications operations in South Asia and Southeast Asia and other identified emerging markets through further acquisitions or investments, including in countries in which the Group already has a presence. Given the limited size of the Malaysian telecommunications market, the Group's future growth depends, to a large extent, on the success of the businesses of its subsidiaries and associates offshore and its ability to successfully carry out its expansion and consolidation strategy. The Group will continue to actively pursue merger and acquisition opportunities that complement and are aligned with the Group's overall growth strategy.

The successful further expansion of the Group's international network depends on its ability to identify suitable opportunities for investment or acquisition and in reaching agreement with potential overseas partners or sellers on satisfactory commercial and technical terms. Some of the markets the Group has entered or may seek to enter are dominated by large incumbent telecommunications providers. There can be no assurance that such opportunities or agreements can be established or that any of the Group's future acquisitions or agreements will be completed or completed on commercial terms favourable to the Group. Further, in seeking further expansion opportunities, the Group may conduct limited legally permissible business in certain countries that are subject to economic sanctions, including Iran.

There is no assurance that the Group will be successful in making further investments or acquisitions due to limited opportunities, competition for available opportunities from other potential investors, foreign ownership restrictions, government policies and regulatory approvals, political considerations and the specific preferences of sellers. In particular, other major telecommunications companies in the region are following similar strategies or attempting to penetrate the same markets as the Group. The acquisition of new businesses will also involve risks, including unforeseen contingent risks or latent liabilities relating to acquired businesses that may only become apparent after the merger or acquisition is finalised, potential difficulties in the integration and management of networks,

operations and systems, potential difficulties in the retention of key personnel, potential difficulties in the co-ordination of sales and marketing efforts, and diversion of attention of the Group's management from other on-going business concerns. In countries where the Group already has operations, regulatory authorities may require the divestment of assets, business or spectrum as a condition of granting approvals necessary for further investments or acquisitions by the Group. This may limit the ability of the Group to further consolidate its operations and expand its businesses in certain countries.

In certain markets where regulatory and legal issues are major challenges, the Group may incur substantial expenses in connection with its international operations in these markets and this may adversely impact the return on its investment in these operations. Also, the Group will require additional licences, spectrum assignments and/or other authorisations to expand its operations and there is no assurance that it will be able to secure the necessary regulatory approvals for such expansion. Regulatory regimes and regulations in certain of the markets in which the Group operates are also subject to change and interpretation by local authorities and governments and this may affect its expansion activities, for example, if any changes impose greater barriers to entry or restrictions on its expansion plans.

There are concerns about alleged mobile telecommunications health risks

Certain reports have suggested that radio emissions from mobile handsets and other mobile equipment (including BTS and Outdoor Structures) might have an adverse effect on the health of mobile telephone users and others. Such concerns have adversely affected share prices of certain mobile telecommunications companies in the United States in the past. Although the findings in such reports are disputed, the issuances of such reports in the future could adversely affect the market price of the shares of mobile telecommunications service providers, including the Group, and the actual or perceived risk of wireless telecommunications devices could adversely affect mobile operators such as the Group through reduced subscriber growth, reduction in subscribers or reduced usage per subscriber. To mitigate the impact of this, the telecommunications industry is guided by international standards on limiting potential health hazards from radio emissions and Axiata is committed to follow the same best practices. Any concerted growth of health complaints from the use of mobile telephones could have a material adverse effect on the results of operations of the Group.

RISKS RELATING TO THE OPERATIONS OF THE GROUP AND ITS BUSINESSES

The Group's financial performance is dependent heavily on two key subsidiaries

The Group's financial performance depends heavily on the performance of two key subsidiaries, Celcom and XL. These two operating companies are the largest subsidiaries of the Group by revenue. The combined revenues of Celcom and XL contributed approximately 72.25 per cent. of the Group's total revenue and 46.99 per cent. of its PATAMI in the six months ended 30 June 2015. Consequently, any factor or event, outlined herein or otherwise, that results in a reduction in revenues of either of these subsidiaries may have a material adverse effect on the financial condition, results of operations and overall prospects of the Group.

The Group's existing operations and planned investments and expansions require significant capital investment

Telecommunications service businesses are capital intensive in nature and the Group has made significant investments in its network infrastructure and technology to provide its services, particularly in the last three financial years with the roll out of data-capable technology such as 4G / LTE. In the financial years ended 31 December 2012, 2013 and 2014, the Group's capital expenditures related to property, plant and equipment, as reflected in the statements of cash flows, were RM5.1 billion, RM4.1 billion, and RM3.7 billion, respectively.

In order to remain competitive and continue to provide technologically innovative and compatible services, the Group must continue to expand and modernise its networks, which involves substantial capital investment. It also requires significant amounts of capital to market and distribute its services and products, to develop, market and distribute new services and products, to develop and implement new mobile telecommunications technologies, potentially to acquire and invest in other telecommunications companies and acquire new or renew expiring licences and spectrum rights. Where an operating company is not wholly-owned by the Group, the Group will need to consider whether the other shareholders are willing to meet additional capital needs.

The Group expects to require financing to broaden the existing range of mobile telecommunications services it provides and to develop new services. In addition to investing in improvements and upgrades to its existing systems and network, the Group's longer term strategy includes making investments in telecommunications-related businesses. The Group's ability to obtain additional financing will depend on a number of factors, including:

- the Group's future financial condition, results of operations and cash flows;
- general market conditions for financing activities by mobile and fixed-line telecommunications companies and tower infrastructure companies; and
- economic, political, regulatory and other conditions in the markets where the Group operates.

Adequate financing for the expansion and modernisation of the Group's network and support systems and for telecommunications-related investments may not be available to the Group on acceptable terms, or at all. Accordingly, there is no assurance that the Group will have sufficient capital resources in the mid-term or that it will not exceed its estimate of the necessary capital expenditures to improve or expand its mobile telecommunications infrastructure or update its other technologies to the extent necessary to remain competitive and to adapt to potentially challenging operating environments. If adequate financing is not available, the Group's business prospects may be adversely affected.

Increased cost of debt due to international credit market volatility

If the capital and credit markets continue to experience recent volatility and the availability of funds remains limited, the Group will incur increased financing costs associated with its debt. It is possible that the Group's ability to access the capital and credit markets may be limited by these or other factors at a time when the Group would like, or need, to do so, which could have an impact on the Group's ability to grow its business, refinance maturing debt, maintain its dividends, maintain credit ratings and/or react to changing economic and business conditions. Restrictive covenants and other limitations in the Group's existing indebtedness may limit the ability of the Group to obtain financing on favourable terms or utilise the Group's assets as security for such future financing. Furthermore, future credit facilities or other debt instruments may contain covenants that limit the Group's operating and financing activities and require the creation of security interests over its assets. Therefore, the ability to meet payment obligations, refinance maturing debt and fund planned capital expenditure may depend solely on the success of the Group's business strategy and its ability to generate sufficient revenue to satisfy its obligations, which are subject to many uncertainties and contingencies beyond its control, including those highlighted above.

Depreciation of the currencies in which the Group operates and exchange rate fluctuations, as well as changes in monetary policies in the countries in which it operates may adversely affect the Group

Fluctuations relative to the Malaysian Ringgit in the currencies of various countries in which the Group conducts its operations may result in better or worse financial results for the Group once those currencies have been translated into Malaysian Ringgit, which is the currency the Group uses as its reporting currency for its financial statements.

The currency volatility in the global markets has adversely affected the contributions from the Group's offshore investments. An example of this occurred for the financial year ended 31 December 2014 where the Group's losses attributed to foreign exchange amounted to RM213.9 million.

In addition, a substantial portion of the indebtedness and capital expenditure of the Group's subsidiaries is denominated in U.S. dollars or currencies other than the relevant operational currencies of the subsidiaries. Fluctuations in the exchange rates between the Group's operational currencies and these foreign currencies may result in better or worse financial results for the Group's subsidiaries, due to fluctuations in the amounts of local currency required to satisfy their foreign currency debt obligations or capital expenditure requirements. As of 30 June 2015 the Group had debt exposure of USD1.6 billion of which approximately 46 per cent. was hedged, which is a decrease from approximately 47 per cent at the end of 2014. Major devaluation or depreciation of any such currencies may also result in disruption of the international foreign exchange markets and may limit the Group's ability to transfer or to convert such currencies into Malaysian Ringgit and other currencies in which its indebtedness and other obligations are denominated. In addition, the governments of certain countries in which the Group operates or has investments have instituted or may in the future institute restrictive exchange rate policies that limit or restrict the Group's ability to convert its respective currencies into other currencies, or to transfer other currencies out of their jurisdiction or institute monetary policies which subject their currencies to depreciation against the U.S. dollar. The Group has in place certain currency hedges to cover its foreign currency exposure on certain debts of the Group. There is no assurance that currency exchange rate fluctuations or limitations on the Group's ability to convert or transfer currencies would not have an adverse effect on the Group's financial condition and results of operations. For example in Indonesia, the persistent weakening of the IDR against the USD amid prolonged weak global sentiments and outflow of foreign funds from the region have increased XL's currency exposure on its unhedged foreign currency liabilities. To mitigate this, XL is planning to restructure its loans and to expedite the payment of its USD borrowings.

Bank Negara Malaysia (“BNM”), Malaysia's Central Bank, has in the past intervened in the foreign exchange market to stabilise the Malaysian Ringgit and on 1 September 1998, fixed the exchange rate of the Ringgit to the U.S. dollar at RM3.80 to U.S.\$1.00. On 21 July 2005, BNM announced that the exchange rate of the Malaysian Ringgit will be allowed to operate in a managed float, with its value being determined by various economic factors. BNM had stated that it would monitor the exchange rate against a currency basket to ensure that the exchange rate will not deviate significantly from the current exchange rate, which may result in significantly higher domestic interest rates, liquidity shortages or other exchange controls. There is no assurance that BNM will continue this policy in the future or that it will be successful in doing so. There can be no assurance that the Malaysian government will not impose more restrictive or other foreign exchange controls.

The Group may not realise the benefits it expects from its investments in network infrastructure and new technologies

In order to continue to develop its business and offer new services, the Group intends to continue to invest in its network infrastructure and technology as well as new technologies. In addition to the further development of its existing products and services, the launch of new and commercially viable products and services is important to the success of the Group. It expects to incur substantial capital expenditure to further develop the existing as well as the new range of services and products. Commercial acceptance by consumers of new services offered by the Group may not occur at the rate or level expected, and it may not be able to successfully adapt the new services effectively and economically to meet consumers' demands, thus impairing the return on its investments.

There is no assurance that services enabled by new technologies implemented by the Group in certain of its markets will be adopted by the public to the extent required to generate an acceptable rate of return. In addition, the Group faces the risk of unforeseen complications in the deployment of these new services and technologies, and there is no assurance that its estimate of the necessary capital expenditures to offer such services will not be exceeded. For example, Celcom experienced significant

complications and unforeseen disruption in the upgrading of its information technology system in 2014. This resulted in the delayed activation of new prepaid subscribers and the limitation of the launching of new products for a substantial part of 2014. Whilst this has been largely resolved, there are still lingering issues. Any such future issues may have an impact on financial results.

New services and technologies may not be developed and/or deployed according to expected schedules or may not achieve commercial acceptance or be cost effective. The failure of any of the Group's services to achieve commercial acceptance could result in additional capital expenditures or a reduction in profitability to the extent that the Group is required under the applicable accounting standards to recognise a charge for the impairment of assets. Any such charge could materially and adversely affect the Group's financial condition, results of operations and prospects.

The Group relies on manufacturers of telecommunications equipment and network facility providers, as well as other external suppliers, for the Group's key technical support platforms and systems

The Group relies on global manufacturers of telecommunications equipment for continued maintenance, service and supply and continued cooperation on the part of these manufacturers is important for it to maintain its operations without disruption. The Group's subsidiaries in Malaysia, Indonesia, Sri Lanka, Bangladesh and Cambodia as well as its associates are dependent on imports for the majority of their network components, as most of the network equipment cannot be sourced locally. The network equipment and facilities are for the provision and support of mobile switching centres, Base Station Controllers ("BSC"), BTS and other network and IT equipment.

The Group also relies on external global suppliers for many of its key IT platforms, customer service systems and billings systems.

The Group may experience delays and other problems in acquiring the necessary equipment, support and spare parts if mobile equipment manufacturers encounter financial difficulties. In addition, further consolidation of major telecommunications suppliers and other technology and systems providers may reduce the number of suppliers from whom the Group can purchase equipment and technology, and may result in higher pricing and increased costs for the Group, either as a result of increased prices by market dominant suppliers or because existing equipment and technology used by the Group may no longer be supported by the new market players. There can also be no assurance that the Group will be able to enter into new contracts with suppliers on commercially acceptable terms.

Each operating company has implemented its own risk management process to mitigate potential risks.

The telecommunications industry is subject to rapid technological change and continued transformation, which may affect the Group's competitive position if it is unable to develop new products and services and introduce them to its markets in a timely manner and at competitive prices

The telecommunications industry is subject to rapid, ongoing technological change and has experienced significant changes in recent years, including the introduction of data services, which the Group expects to continue. Increased smartphone adoption, wireless technology, satellite-based communications services, private and public radio networks, VoIP, personal tablets and other communications services which have the technical capability to handle telephone calls or provide portable broadband internet access compete with the businesses of the Group. Continued growth of such technologies, emerging and future technological changes and new services may adversely affect the viability or competitiveness of the Group's businesses. This may have additional financial implications for the Group, as some subsidiaries may need to increase capital expenditure to implement new network technologies at a faster rate than previously planned. Furthermore, changing market demand and consumer trends, together with the speed of development and deployment of technology, may require the Group to adopt new technologies that could shorten the lifecycle of its existing technologies, rendering them less competitive and increasing the rate of technology

obsolescence. In order to compete effectively, the Group must continue to improve the speed and features of its existing products and services and develop attractive products and services for its subscribers. The Group, along with the relevant subsidiaries, constantly assesses the development of these new technologies and the readiness of the required components end-to-end and also monitors the likely preparedness of the competition.

The Group may not adopt the necessary skills in time to embrace these new technologies and may require substantial capital expenditure and access to related and/or enabling technologies in order to integrate the new technologies with existing platforms to respond successfully to technological advances and emerging industry standards. The Group may face competition from new technologies which are distinctly different from the Group's product and/or service offering, and which it may be difficult for the Group to adopt, and there is no assurance that the Group will adopt the technologies or industry standards that will ultimately dominate the market over time.

The Group may also not succeed in adequately developing or introducing new or improved products and services in an economical or timely manner and it may not be able to succeed in delivering new products and services to the market ahead of its competitors or at competitive prices. Further, the Group may adopt new technologies that may prove to be unprofitable, inadequate or incompatible with the technologies of its subscribers or other carriers. In addition, new technologies implemented by competitors may allow them to provide lower priced, enhanced or better quality services, which could have a material adverse effect on its ability to compete effectively. It may not be successful in enhancing its network infrastructure in a timely and cost-effective manner to facilitate integration and innovation, which could have a material adverse effect on the book value of its network and its quality of services, business, prospects, results of operations and financial condition. If the Group is unable to compete because its products and services have not kept pace with the evolving industry, its competitive position may be adversely affected.

The Group's success depends on the reliability of its network infrastructure and systems, which are vulnerable to damage or interruption due to events outside the Group's control

The Group provides mobile telecommunications services that rely to varying degrees on its key network infrastructure, including its mobile networks and its transmission networks which comprise optical fibre cable, microwave, submarine cable and satellite transmission links. The provision of services by the Group depends on the reliability of this integrated network which is vulnerable to damage or interruptions in operation due to natural disasters, adverse weather conditions, floods, fire, power loss, telecommunications failures, network software flaws, transmission cable cuts, acts of terrorism, breaches of security or similar events. The Group's BTS and transmission sites may also be subject to vandalism and theft, which could interfere with its operations and cause network failures. Furthermore, parts of the Group's network infrastructure and systems may suffer from obsolescence or may require significant enhancement to effectively service increasing capacity demand. In the event that the Group experiences significant problems with its switches, BTS, BSC, network backbone, other system hardware or software, including problems outside its control, temporary service interruptions or quality of service problems could arise. Any failure of the Group's integrated network to service increasing capacity demand or that results in an interruption to its operations or provision of any service, could damage its brand equity, reduce the confidence of its subscribers and consequently impair its ability to attract and retain subscribers, lead to a violation of the terms of its various licences and could have a material adverse effect on its results of operations, financial condition and prospects. The Group continues to evaluate and ensure that an adequate disaster recovery plan is in place within each of its business units to ensure seamless business continuity.

The Group depends on interconnection agreements with its competitors' networks and gateways and on domestic telephone networks

The Group is dependent on interconnection agreements with its competitors' mobile and fixed-line networks and associated infrastructure for the successful operation of its business. If for any reason these interconnection arrangements are disrupted, whether because of a failure by a counterparty to perform its contractual obligations or for any other reason, or if there are any adverse changes in the terms of such interconnection agreements or failure to reach or renew agreements on commercially acceptable terms, or at all, one or more of the Group's services may be delayed, interrupted or stopped, the quality of its services may be lowered, its average monthly churn rate may increase or its interconnection rates may increase, all of which could materially adversely affect its business, financial condition, results of operations and prospects.

The insurance cover which the Group has in place does not cover all of the risks that it faces and the occurrence of events that are not covered by its insurance could cause losses, which, if significant, could adversely affect the financial condition of the Group

The Group maintains insurance policies with registered insurance companies in Malaysia and overseas that cover a number of the potential categories of loss that the Group might incur. However, the Group is not fully insured against all potential hazards that may impact or affect its business. For example, the Group maintains limited cover in the area of business interruption and political violence risks while it does not have coverage on political-related risk (e.g. currency inconvertibility and asset nationalisation) and cyber security. The occurrence of events that are not fully insured, or non-settlement of claims, could have a material adverse effect on the Group's financial condition, results of operations and prospects.

The Group may not be able to adequately protect its intellectual property, which could harm the value of its brands and products and adversely affect its businesses; it may also be subject to infringement actions in connection with its use of third party intellectual property

The Group depends on its brands and believes that they are important to its business. The Group relies primarily on trademarks and similar intellectual property rights to protect its brands and branded products. The success of its business depends in part on its continued ability to use its existing trademarks in order to increase brand awareness and further develop its branded products. The Group has registered certain trademarks and has other trademark registrations pending. The Group seeks to register all of its trademarks though in many cases it cannot be certain that these trademarks have not been registered by another party in the past. The Group may not be able to adequately protect its trademarks and its use of these trademarks may result in liability for trademark infringement, trademark dilution or unfair competition. As the telecommunications industry is highly competitive, the Group must also ensure that its know-how and commercially sensitive information is kept confidential. Any leak of this information may adversely affect its competitive position and results of operations. Further, in the course of its business, the Group is licenced from time to time to use intellectual property belonging to third parties including content and software providers. The Group and its business partners to whom it outsources certain of its services may from time to time unknowingly infringe the rights of such third parties or may fail to pay royalties to such third parties which may result in claims being made against the Group. Any significant resulting damages may adversely affect the Group's business, results of operations and prospects.

The Group depends on key management for the growth and successful implementation of its strategy

The Group believes that the growth it has achieved to date, as well as its position as one of the key mobile telecommunications services providers in South Asia and Southeast Asia, are to a large extent attributable to a strong and experienced senior management team and a skilled workforce. The Group believes that the continued growth of its business and the successful implementation of its strategy depend on senior management and key personnel. There can be no assurance that members of the

senior management team will remain in the Group for the foreseeable future. Competition for key personnel in the telecommunications industry is intense, and there is limited availability of individuals with the requisite knowledge of the telecommunications industry and relevant experience in the markets in which the Group operates. The Group may not be able to successfully recruit, train or retain the necessary qualified and skilled personnel in the future. Any failure to manage the Group's personnel needs successfully could have a material adverse effect on its business, results of operations and prospects.

The Group depends significantly on its network of dealers and distributors for sales of its products and services

The Group sells its services principally through a network of dealers and distributors. As such, the Group is highly dependent on its dealers and distributors for its product sales. Any dispute with such dealers may disrupt sales and have an adverse effect on the Group's revenues and profitability.

Certain of the Group's distributors, such as those of Celcom, are third parties. As a result, while the Group has no control over the operations of such distributors, it may be held accountable for their actions, as such distributors may be deemed to be agents or representatives of the Group in their sales activities. Failure by such distributors to comply with applicable regulations may lead to penalties being imposed on the Group, thus adversely affecting the Group's reputation, business, results of operations and prospects.

The Group acknowledges the consumer trend resulting in greater adoption of online services for the purchase and distribution of its products. This meant that subscribers are using online methods to get access to services such as bill payments and mobile credit reload amongst others. Failure by the Group to move more of its services into the digital sphere may result in reduced sales or loss of customers.

While the Group has significant investments in certain of its associates, joint ventures and investee companies, it does not have complete control of all of such companies

The Group's ownership interests in certain of its associates, joint ventures and investee companies, particularly Idea and M1 which as at 30 June 2015 were 19.78 per cent. and 28.33 per cent., respectively, do not in every instance provide it with the ability to control the actions of these companies. Where the Group is represented on the boards of directors of these companies, such representatives do not constitute a majority of those boards. As a result, although the Group may participate in the management of such companies, it may not have the ability to prevent them from engaging in activities or pursuing strategic objectives that may conflict with its interests or overall strategic objectives and its ability to cause such companies to take actions which it believes would be beneficial for its shareholders may be limited.

The Group's leverage could adversely affect its general financial condition

As of 30 June 2015, the Group had total outstanding interest-bearing debt obligations of RM14.1 billion. In order to fund future operations and expansion, in addition to utilising cash, internal revenues and other sources, the Group may incur additional indebtedness, which may limit its ability to obtain additional financing for working capital, capital expenditure, strategic acquisitions and general corporate purposes, limit its flexibility in planning for or reacting to changes in the markets in which it competes, render it more vulnerable to general adverse economic and industry conditions and make it more difficult for it to satisfy its financial obligations or be able to refinance maturing indebtedness.

The Group's ability to meet its payment obligations under the Sukuk will depend on the success of its business strategy and its ability to meet and/or generate sufficient revenues to refinance its obligations, which are subject to uncertainties and contingencies beyond its control.

The Group may be required to record significant accelerated depreciation and/or impairment charges to its earnings in the future resulting from the impairment review of its goodwill, other intangible assets, property, plant and equipment and/or investments

The Group is required to assess whether there is any impairment indicator or impairment on assets, including non-financial assets such as goodwill, other intangible assets, property, plant and equipment and investments of the Group, at the end of each financial reporting period. If such indication exists, an analysis is performed to assess whether the carrying value of the non-financial asset is fully recoverable. The Group may be required in the future to record a significant impairment charge on its non-financial assets to its future earnings during the financial period in which any such impairment is determined and that may have a material adverse effect on its financial results. There is no assurance that the non-financial assets of the Group will not be subject to impairment in the future.

Certain of the Group's subsidiaries are defendants to legal proceedings

Certain of the Group's subsidiaries are parties to legal proceedings, many of which involve its subsidiaries defending claims by other parties. See "*Business of the Group — Legal proceedings and disputes*". There can be no assurance that the relevant subsidiaries will be able to successfully defend such proceedings or that judgments will not be entered against the relevant subsidiaries. In the absence of provisions for such claims, any judgment entered against the relevant subsidiaries or any requirement for the subsidiaries to pay damages and/or costs could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. Furthermore, there can be no assurance that further substantial litigation will not be brought against the Group in the future, in respect of which any failure to successfully defend such claims could also have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's internal control system may fail

There is no assurance that the system of internal controls implemented by the board of directors and the board audit committee of Axiata will prevent any misstatements in the accounts of the Group or losses being made by the Group. A failure of any of the key components of the Group's internal control system, including control environment, risk assessment, control activities, information and communication and monitoring could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The Malaysian government is a substantial shareholder in the company but there can be no assurance that it will continue to maintain its shareholding

As at 30 June 2015, Khazanah was the registered holder of approximately 38.61 per cent. of Axiata's issued share capital. There is no assurance that Khazanah will remain Axiata's substantial shareholder or that there will not be a change of control of Axiata or the entry of another major shareholder with the ability to exert significant influence on the direction or operations of the Group, nor that the Group's business, financial condition, results of operations and prospects would not be adversely affected by such a change in control or influence.

Any controlling or substantial shareholder in Axiata, including Khazanah, will be able to exercise control over many matters requiring approval by Axiata's shareholders, including the election of Axiata's directors and the approval of significant corporate transactions. There is no assurance that the interests of such substantial shareholders will be aligned with those of Axiata's other shareholders and as they will own a significant portion of the shares of Axiata, they could delay or prevent a change of control of Axiata or other transactions, even if such transactions would be beneficial to the other shareholders of Axiata.

The ownership rights of Celcom in respect of the ducts and cables that it lays and installs on public roads and highways are uncertain

In the course of building its network, Celcom has laid ducts, fibre and other equipment throughout Malaysia pursuant to approvals obtained from local authorities. However, legal uncertainty arises because the issue of ownership of the ducts and trunk fibre laid on or under the land is not specifically addressed in the Telecommunications Act (now repealed) nor in the current CMA 1998. There can be no assurance that the question of the ownership of such ducts, fibre and other equipment, if submitted to the courts, would not be decided against Celcom. Any adverse judgment against Celcom may result in a disruption to its operations, loss of investment, increased cost due to charges to be paid to the owner for the use of such ducts and fibre and other equipment and may adversely affect its results of operations.

Celcom has entered into a number of memoranda of understanding, strategic alliances and partnerships with various corporate and telecommunications leaders, and the termination of any such alliances or partnerships may result in negative publicity

Celcom has a number of memoranda of understanding, strategic alliances, equity partnerships and collaborations with various global, regional and local corporate and telecommunications leaders, including, but not limited to, Vodafone Marketing Sarl (“**Vodafone**”), Google Ireland Ltd (“**Google**”), Tune Talk Sdn Bhd (“**Tune Talk**”), Altel Communications Sdn Bhd (“**Altel**”), U Mobile Sdn Bhd (“**U Mobile**”), Redtone International Berhad (“**Redtone**”), Merchantrade Sdn Bhd (“**Merchantrade**”), Philippine Long Distance Telephone company (“**PLDT**”), DiGi Telecommunications Sdn Bhd (“**DiGi**”) and Puncak Semangat Sdn Bhd (“**Puncak Semangat**”). The continuation of such arrangements is subject to review based on strategic benefits attained by the relevant parties from time to time and there is no assurance that such alliances, partnerships or collaborations will not be terminated by any party, or that such termination will be mutually agreed. The termination of any of Celcom’s well publicised strategic alliances, partnerships or collaborations could result in negative publicity and damage to Celcom’s branding and reputation, which, together with such termination, may adversely affect Celcom’s results of operations, business and prospects. In addition, any negative publicity or adverse brand image suffered by such strategic partners may adversely affect Celcom’s brand image and reputation.

edotco

edotco is an integrated telecommunications infrastructure services company providing passive infrastructure services in Malaysia, Bangladesh, Cambodia, Pakistan and Sri Lanka. Malaysia, Cambodia and Pakistan have existing regulations under which edotco has been granted the operating licences.

Bangladesh and Sri Lanka are in the process of introducing tower licensing frameworks. Whilst edotco’s Bangladesh operations are currently premised on a No Objection Certificate (“**NOC**”) granted by Bangladesh Regulators, there is no guarantee that edotco will be granted an operating licence in Bangladesh under their prospective tower licencing framework. edotco will however, be able to evidence its two years of continuous operation in Bangladesh since the granting of its NOC when applying for an operator’s licence. There is also no guarantee that edotco will be granted an operating licence in Sri Lanka under their prospective tower licencing framework. Further, existing legislation in Sri Lanka does envisage the licensing of passive infrastructure entities. edotco expects the Sri Lankan government to update its legislation in line with global infrastructure developments.

Axiata Digital Services (“ADS”)

Axiata established ADS to focus on enhancing existing revenues and driving new sources of value from digital services such as in digital advertising, e-commerce / marketplace, mobile money, digital entertainment and digital enablement. The achievement of ADS’ business primarily depends on the growth and take ups of the digital services market. There can be no assurance that the future demand and market acceptance for digital services will continue to grow at the projected phase.

ADS faces intense business competition and regulatory challenges. Competition from MNOs venturing into digital services, OTT players from local and global internet companies, and expansion of offline retailers establishing the online marketplace are some of the direct threats. ADS mobile money services is highly regulated and subject to stringent and complex laws, rules and regulations across the countries it operates. Failure to comply or adapt to these rules & regulations may result in penalties and at worst revocation of licences. To stay competitive, ADS must offer value and relevance of products & services, and ultimately to enhance user experience.

RISKS RELATING TO THE MARKET GENERALLY

Political, economic and social developments in Malaysia and other Asian countries may adversely affect the Group

As a substantial portion of the Group's operating revenue is derived from activities in Asia, in particular Malaysia, Indonesia, Sri Lanka, Cambodia and Bangladesh, the Group's business, prospects, financial condition, results of operations and prospects may be adversely affected by political, economic and social developments in such countries. Any adverse change in trends, restrictions on ownership of assets by foreigners, nationalisation of assets, adverse change arising from or uncertainty in the implementation of economic or legal reform, or a general economic slowdown as a result of changes in labour costs, inflation, interest rates, taxation or other political or economic developments in the key markets in Asia in which the Group operates, could materially affect the growth, prospects, financial condition or results of operations of the Group.

Further, some of the countries in South Asia (which includes Sri Lanka, Bangladesh, India and Pakistan) and the Southeast Asian (which includes Malaysia, Indonesia, Cambodia and Singapore) in which the Group operates and has investments, have experienced or may experience political instability. The continuation or re-emergence of such political instability or any change of leadership in these countries in the future could have a material adverse effect on economic or social conditions in those countries, which could have an adverse effect on the Group's financial condition, results of operations and prospects. Such political instability could also have a material adverse effect on the ownership, control and condition of the Group's assets in those areas. Furthermore, any changes in the composition of governments could result in a change in policies, including with respect to the telecommunications industry in these countries, which may result in increasing competition and/or increasing regulation of the Group's activities. Political and economic uncertainties within the Asian region include, but are not limited to, the risks of war, terrorism, riots, expropriation, nationalism, renegotiations or nullifications of existing contracts, changes in interest rates and methods of taxation.

Laws and regulations and fiscal policies affecting the economy as a whole and the telecommunications sector specifically in these emerging markets in Asia also tend to be evolving and changing compared to mature markets and the Group may be adversely affected by any such change relating to telecommunications operators, licensing and services. To minimise risk and the effect that these dynamic circumstances may have on the Group, the Group has adopted a rigorous approach to regulatory management, premised on the following:

- developing annual regulatory action plans for each of the operating companies, focusing on the regulatory issues that will have the most significant strategic, financial or reputational impact;
- actively engaging with regulators in all relevant jurisdictions, particularly when such authorities invite industry submissions on various issues;
- establishing Group-wide positions on key issues such as spectrum management, roaming regulations, access pricing and licence renewal; and
- developing and disseminating a strong common baseline of best practice regulatory skills across the Group.

The worldwide economic downturn has adversely affected the Group's operations and growth in the past, and could continue to do so in future

The Group offers mobile telecommunications and related services to its subscribers throughout South Asia and Southeast Asia. As the mobile telecommunications industry is predominantly a consumer-dependent industry, any economic slowdown experienced in any of its markets may adversely affect the financial health of its subscribers and consequently affect its operating revenues and profitability.

Certain of the countries in which the Group operates are highly dependent on exports to other countries within the Asia-Pacific region and to other major markets worldwide, including the United States and China. Any economic slowdown experienced in the United States, China and in other major economies may lead to reduced demand for exports from these countries and may adversely affect the economies of these countries.

The Group is exposed to risks such as funding, financing costs and currency exchange rates due to the diversification of countries in which it invests. It is not commercially viable for the Group to hedge all its currency and interest rate exposures. As a result, volatility of interest rates and currencies in the countries in which the Group operates could adversely affect the Group's financial performance and results of operations. Local liquidity constraints and high financing interest for medium and/or long term borrowing may result in funding constraints for some subsidiaries of the Group in some markets.

The Group is subject to interest rate fluctuations

As of 30 June 2015 the Group's total outstanding interest-bearing debt obligations were approximately RM14.1 billion. This includes floating rates (calculated as the sum of a specified margin and an applicable bank base rate) and fixed rates which were payable on the Group's outstanding debt. The interest cost to the Group of the floating interest rate debt will be subject to fluctuations in underlying base rates. In addition, the Group is subject to market disruption clauses contained in its loan agreements with finance providers. Such clauses state that to the extent that the banks may face difficulties in raising funds in the interbank market or are paying materially more for interbank deposits than the displayed screen rates, they may pass on the higher costs of funds to the Group despite the margins agreed in the relevant loan agreement. As a consequence of the foregoing and because the Group hedges certain of its floating interest rate exposure, the Group's results of operations, financial condition and prospects could be adversely affected by increases in interest rates.

Natural disasters in certain of the Asian countries in which the Group operates could disrupt the economy of such countries and the Group's business

The Group has significant operations in Indonesia through XL. The Indonesian archipelago is one of the most volcanically active regions in the world. As Indonesia is located in the convergence zone of three major lithospheric plates, it is subject to significant seismic activity that can lead to destructive earthquakes, tsunamis, tidal waves and volcanic eruptions. For example, on January 2014, Mount Sinabung, a volcano located in North Sumatra, erupted, killing 14 people. On 2 July 2013, an earthquake of magnitude 6.1 on the Richter scale struck the Aceh province in Sumatra, killing at least 35 people and injuring 276.

A significant earthquake or other geological disturbance in any of Indonesia's more populated cities and financial centres could severely disrupt the Indonesian economy and undermine investor confidence and have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's operations in other countries may also be subject to severe local weather conditions, such as floods, mudslides and lightning strikes, which may cause damage to its networks and disrupt its operations and services. For example, Malaysia is regularly affected by monsoon flooding, most

recently in December 2014 and January 2015 when several parts of the East Coast, Sarawak and Sabah were effected by severe flash floods. Celcom's network sites in Kelantan, Pahang and Terengganu, and employees attached to its regional offices within these states, were affected by the floods. This prompted the activation of the Flood Crisis Command Centre and the establishment of an Emergency Response Committee (ERC) to assist in rescue and recovery efforts. As part of the operational recovery efforts, Celcom deployed cellular on wheels (COW) and mobile generators to base stations affected by power outages and replaced damaged equipment to sustain mobile telecommunications network.

Bangladesh experienced torrential rains in June 2015 and a cyclone in 2015 resulting in flash floods and landslides in the low-lying areas in the south-eastern districts of Cox' Bazar, Bandarban and Chittagong. While several sites located within the affected areas were out of service, most of these affected sites are not within Robi's key market regions. As contingency, Robi has deployed portable generators, diesel generator on wheels to sustain network services as a result of power outages.

RISK FACTORS RELATING TO THE SUKUK

Absence of secondary market and/or limited liquidity

There is no assurance that a secondary market for the Sukuk of any Series will develop or, if it does develop, that it will provide the Sukukholders with liquidity of investment or that it will continue for the life of such Sukuk. Accordingly, a Sukukholder may not be able to find a buyer to buy its Sukuk readily or at prices that will enable the Sukukholder to realise a desired yield. The market value of the Sukuk may fluctuate and a lack of liquidity, in particular, can have a material adverse effect on the market value of the Sukuk. Accordingly, the purchase of the Sukuk is suitable only for investors who can bear the risks associated with a lack of liquidity in the Sukuk and the financial and other risks associated with an investment in the Sukuk. An investor in the Sukuk must be prepared to hold the Sukuk for an indefinite period of time or until their maturity. Approval-in-principle has been granted for permission to deal in and quotation of Sukuk that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed and on the SGX-ST and Bursa Securities has granted its approval for the listing of the Programme under the Bursa Securities (Exempt Regime) but there can be no assurance that any such listing will enhance the liquidity of the Sukuk.

The Sukuk are limited recourse obligations

The Sukuk are not debt obligations of the Trustee, the Delegate, Axiata, any of the Agents or any of their respective affiliates. Instead, the Sukuk represent an interest in the Trust Assets. Recourse to the Trustee in respect of each Series of Sukuk is limited to the Trust Assets of that Series and the proceeds of such Trust Assets are the sole source of payments on the relevant Sukuk. Upon the occurrence of a Dissolution Event, or early dissolution pursuant to Conditions 11(b) (*Capital Distributions of the Trust — Early Dissolution for Tax Reasons*), 11(c) (*Capital Distributions of the Trust — Dissolution at the Option of Axiata*), 11(e) (*Capital Distributions of the Trust — Dissolution following a Total Loss Event*) or 11(f) (*Capital Distributions of the Trust — Dissolution following a Revocation Event*), the sole rights of each of the Trustee, the Delegate and the Sukukholders of the relevant Series of Sukuk will be against Axiata to enforce the payment obligations of Axiata under the Transaction Documents to which it is a party. Sukukholders will otherwise have no recourse to any assets of the Delegate, Axiata, the relevant Dealer, the Trustee (including its directors and service providers), and the Agents or any affiliate of any of the foregoing entities in respect of any shortfall in the expected amounts due under the relevant Trust Assets. There can be no assurance that the proceeds of the realisation of, or enforcement with respect to, the Trust Assets will be sufficient to make all payments due in respect of the Sukuk of the relevant Series. Furthermore, under no circumstances shall any Sukukholder, the Trustee or the Delegate have (i) any right to cause the sale or other disposition of any of the Trust Assets except to Axiata in accordance with the terms of the Transaction Documents or (ii) any other

recourse against the Trust Assets, except the right to receive distributions derived from the Trust Assets in accordance with the Conditions, and the sole right of the Trustee, the Delegate and the Sukukholders against Axiata shall be to enforce the obligations of Axiata under the Transaction Documents to which it is a party.

No amount whatsoever shall be due or payable by the Trustee (including the Dissolution Amount and Periodic Distribution Amounts) except to the extent funds are available therefore from the relevant Trust Assets.

The Sukuk may be subject to Early Dissolution

In certain circumstances, the Sukuk may be subject to early dissolution. If the Optional Dissolution Right is specified as being applicable in the applicable Pricing Supplement, Axiata may (i) exercise its option under the Sale Undertaking to procure the Trustee to dissolve the Trust and redeem the Sukuk (in whole, but not in part) on the relevant Optional Dissolution Date at the relevant Optional Dissolution Amount as specified in the applicable Pricing Supplement.

In addition, the Sukuk may be redeemed prior to their stated maturity if Axiata has or will become obliged to provide funding to ensure that the funds available to the Trustee are sufficient to pay the relevant Periodic Distribution Amount or the relevant Dissolution Amount by reason of Condition 12 (*Taxation*) and such obligation cannot be avoided by the Trustee taking reasonable measures available to it. In such circumstances, Axiata has the option to require the Trustee to dissolve the Trust and redeem the Sukuk prior to their scheduled maturity. Early dissolution in either instance may reduce the return that a Sukukholder would have realised had the Sukuk been redeemed at maturity.

An early dissolution feature of any Sukuk is likely to limit its market value. During any period when the Trustee may elect to redeem Sukuk, the market value of those Sukuk generally will not rise substantially above the dissolution amount payable.

The occurrence of a Revocation Event or a Total Loss Termination Event will cause a redemption of the relevant Series of Sukuk prior to their Scheduled Dissolution Date

In relation to each Series (a) the occurrence of a Total Loss Termination Event; or (b) the occurrence of a Revocation Event, will result in the redemption of the Sukuk and the consequent dissolution of the Trust.

In accordance with the terms of the Master Wakala Agreement, the Wakeel is responsible for ensuring that any Lease Assets are, so long as the relevant Sukuk are outstanding, insured against a Total Loss Event. In the event of a Total Loss Event occurring, the Wakeel, on behalf of the Trustee shall ensure that (i) where a Revocation Event has not occurred, the Takaful/Insurance Proceeds are applied (on behalf of the Trustee) towards the purchase of additional Airtime Vouchers in accordance with the Master Airtime Purchase Agreement or towards the lease payments for new assets in accordance with a Supplemental Headlease Agreement; and (ii) in the event of a Total Loss Termination Event occurring, all Takaful/Insurance Proceeds are paid in the Specified Currency directly into the relevant Transaction Account as soon as practicable and in any event by no later than close of business in Malaysia on the 45th day after the occurrence of the Total Loss Event.

In relation to a Series comprising Lease Assets, if (i) a Total Loss Event occurs and an amount (if any) less than the Takaful/Insurance Coverage Amount is available to the Wakeel for the purchase of additional Airtime Vouchers or to be applied by the Wakeel towards the lease of new assets from Axiata; or (ii) a Total Loss Termination Event occurs and the amount credited to the relevant Transaction Account is less than the Takaful/Insurance Coverage Amount, the Wakeel acknowledges that it shall have failed in its responsibility to properly insure the Lease Assets and accordingly irrevocably and unconditionally undertakes to (A) in the event that paragraph (i) above is applicable, apply the Total Loss Shortfall Amount towards the purchase of additional Airtime Vouchers or the lease of new assets from Axiata (as applicable) or (B) in the event that paragraph (ii) above is

applicable, pay (in the Specified Currency in same day, freely transferable, cleared funds) the Total Loss Shortfall Amount directly to the relevant Transaction Account, in each case as soon as practicable and in any event by no later than close of business in Malaysia on the 46th day after the Total Loss Event has occurred.

Following the occurrence of a Total Loss Event, Rentals shall cease to accrue under the relevant Lease with effect from the date on which a Total Loss Event occurs, and no additional rental payment shall be made in respect of the period between the date on which the Total Loss Event occurred and the date on which the Total Loss Shortfall Amount is paid pursuant to paragraph (A) or (B) above. The Lessee will pay the accrued and unpaid rental up to the date on which the Total Loss Event occurred to the Lessor no later than the date of the Total Loss Event.

Pursuant to the Purchase Undertaking, where (a) a Revocation Event has occurred; or (b) a Total Loss Termination Event has occurred, Axiata will irrevocably grant to the Trustee the right to require Axiata to purchase and accept the transfer and conveyance on the relevant Revocation Event Dissolution Date or Total Loss Dissolution Date (as applicable) specified in the Exercise Notice of all of the Trustee's interests, rights, benefits and entitlements in and to any Residual Assets at the Residual Assets Exercise Price specified in the Exercise Notice. The Residual Assets Exercise Price will be paid into the relevant Transaction Account on the Business Day prior to the Revocation Event Dissolution Date or Total Loss Dissolution Date (as applicable).

The Trustee (or the Delegate on its behalf) will use the relevant amounts received from Axiata as above to redeem the relevant Series of Sukuk at their Dissolution Amount.

Sukuk where denominations involve integral multiples: Definitive Certificates

In relation to any issue of Sukuk which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Sukuk may be traded in amounts that are not integral multiples of such minimum Specified Denomination. A holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a Definitive Certificate in respect of such holding (should Definitive Certificates be printed) and would need to purchase a face amount of Sukuk such that his holding amounts to a Specified Denomination.

If Definitive Certificates are issued, holders should be aware that Definitive Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

No third-party guarantees

Investors should be aware that no guarantee is or will be given in relation to the Sukuk by the shareholders of Axiata or any other person.

RISK FACTORS RELATING TO A SERIES CONTAINING LEASE ASSETS, SHARES AND/OR AIRTIME VOUCHERS

Risks relating to any land or other assets underlying the Lease Assets, Shares and Airtime Vouchers

No investigation or enquiry will be made and no due diligence will be conducted in respect of any land, towers or other assets underlying any Lease Assets or on any of the Shares or Airtime Vouchers. Only limited representations will be obtained from Axiata in respect of the land or other assets underlying the Lease Assets or on any of the Shares or Airtime Vouchers.

RISKS RELATING TO A SERIES CONTAINING AIRTIME VOUCHERS

Secondary market *Shari'a* compliance

Although Axiata will undertake to do all acts and things (and use its reasonable endeavours to procure that third parties shall execute documents and do all acts and things) as shall reasonably be required in order to carry out the intended purpose of the Master Airtime Purchase Agreement and each Supplemental Airtime Purchase Agreement, each Airtime Voucher is of a consumable nature and, if in relation to any Series containing Airtime Vouchers, Axiata defaults in the performance of its obligation to sell further Airtime Vouchers to the Trustee following the occurrence of an Additional Purchase Event, there can be no assurance that an English court or a Malaysian court would compel Axiata (through an order for specific performance or otherwise) to perform that obligation, particularly where that court concludes that the payment of damages would be an adequate remedy. If such a situation was to arise and no Lease Assets or additional Airtime Vouchers were available to be leased or sold to the Trustee (as applicable), the aggregate of (i) the Voucher Cost Price of the unsold Airtime Vouchers (if applicable to that Series), (ii) the Value of any Lease Assets (if applicable to that Series), (iii) the Value of the Shares (if applicable to that Series) and (iv) the Deferred Payment Price of any outstanding Murabaha Contract (if applicable to that Series) would be less than the aggregate Outstanding Amount for that Series, in each case at that time (i.e. an Additional Purchase Event would be continuing).

Furthermore, where a Series comprises outstanding Murabaha Contracts and (A) the aggregate of (i) the Value of any Airtime Vouchers owned by the Trustee but unsold by the Wakeel in that Series (if applicable to that Series); (ii) the Value of the Lease Assets in that Series (if applicable to that Series); and (iii) the Value of the Shares in that Series (if applicable to that Series) is less than (B) the aggregate Deferred Payment Price of such outstanding Murabaha Contracts, then the tangibility requirement set out in the Master Wakala Agreement will not be complied with.

In addition, in relation to a Series containing both Lease Assets and Airtime Vouchers, the occurrence of only a Revocation Date or a Total Loss Event would not automatically lead to the redemption of the Sukuk and the dissolution of the Trust. Amounts accruing as Rental pursuant to a remaining Lease or from the distribution of any remaining Airtime Vouchers (as applicable) would still be available to pay the full Periodic Distribution Amount due under the Sukuk, notwithstanding the fact that a Revocation Date or a Total Loss Event may have occurred.

In the above scenarios, there can be no assurance that the Sukuk will be *Shari'a* compliant. Sukukholders would need to make their own determination as to the *Shari'a* compliance of the Sukuk and the trading of the Sukuk on any secondary market during the period where an Additional Purchase Event is continuing, where the tangibility requirement set out in the Master Wakala Agreement is not complied with or where a Revocation Date or a Total Loss Event has occurred with respect to a Series containing both Lease Assets and Airtime Vouchers.

Lack of continued return following failure to make payment of the Sukuk Exercise Price or the Residual Assets Exercise Price

If, in relation to a Series which contains Airtime Vouchers but does not also contain Lease Assets at such time, Axiata fails to pay an amount on its due date and the sale and purchase pursuant to the Purchase Undertaking of the Trustee's interest, rights, benefits and entitlements in and to the relevant Sukuk Assets or Residual Assets (as applicable) does not occur in full on the relevant Dissolution Date, the distribution term specified in the Master Wakala Agreement and the relevant Distribution Notice shall be deemed to be extended for successive periods having the same length as the original distribution periods (for that Series) until the earlier of: (i) the date upon which the relevant outstanding amounts are paid in full by Axiata; and (ii) the date upon which there are no more Airtime Vouchers remaining for distribution and sale. If (ii) occurs, then that Series will cease to continue generating profits for the relevant Sukukholders, who would have a claim for the outstanding amount and any accrued but unpaid profit amounts (calculated as of the date on which (ii) occurs).

RISK FACTORS RELATING TO PAYMENTS

Credit risk

The Trustee will fund the redemption amount payable by it in respect of each Series of Sukuk with amounts to be received from Axiata under the Transaction Documents, see “*Summary of the Principal Transaction Documents*”. These payment obligations are unsecured obligation of Axiata and accordingly investors will also be subject to the full credit risk of Axiata in relation to the redemption amounts.

RISK FACTORS RELATING TO TAXATION

Taxation risks on payments

European Union Savings Tax Directive

Under Council Directive 2003/48/EC on the taxation of savings income (the “**Savings Directive**”), Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-European Union countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 24 March 2014, the Council of the European Union adopted a Council Directive (the “**Amending Directive**”) amending and broadening the scope of the requirements described above. The Amending Directive requires Member States to apply these new requirements from 1 January 2017, and if they were to take effect the changes would expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. They would also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported or subject to withholding. This approach would apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

However, the European Commission has proposed the repeal of the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The new regime under Council Directive 2011/16/EU (as amended) is in accordance with the Global Standard released by the Organisation for Economic Co-operation and Development in July 2014. Council Directive 2011/16/EU (as amended) is generally broader in scope than the Savings Directive, although it does not impose withholding taxes. The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the

Trustee nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Sukuk as a result of the imposition of such withholding tax. The Trustee is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Savings Directive.

U.S. Foreign Account Tax Compliance Act Withholding

Whilst the Sukuk are in global form and held within Euroclear and Clearstream, Luxembourg (together, the “ICSDs”), in all but the most remote circumstances, it is not expected that the new reporting regime and potential withholding tax imposed by sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (“FATCA”) will affect the amount of any payment received by the ICSDs (see “*Taxation — FATCA*”). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Trustee’s obligations under the Sukuk are discharged once it has made payment to, or to the order of, the Common Depositary and the Trustee has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries. Further, foreign financial institutions in a jurisdiction which has entered into an intergovernmental agreement with the US (an “IGA”) are generally not expected to be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments they make.

Malaysian taxation

Under present Malaysian law, all profit payable to non-residents in respect of the Sukuk is exempted from withholding tax. However, there is no assurance that this present position will continue and in the event that such exemption is revoked, modified or rendered otherwise inapplicable, such profit shall be subject to withholding tax at the then prevailing withholding tax rate.

However, notwithstanding the foregoing:

- (a) Axiata shall be obliged pursuant to the Transaction Documents, in the event of any such withholding, to pay such additional amounts to the Trustee so as to ensure that the Trustee receives the full amount which it would have received had no such withholding been imposed; and
- (b) the Trustee shall be obliged pursuant to the Transaction Documents and the Sukuk, in the event of any such withholding, to pay such additional amounts to the Sukukholders so as to ensure that the Sukukholders receive the full amount which they would have received had no such withholding been imposed.

For further information please refer to the section entitled “*Taxation*” below.

RISK FACTORS RELATING TO ENFORCEMENT

Claims for specific enforcement

In the event that Axiata fails to perform its obligations under any Transaction Document to which it is a party, the potential remedies available to the Trustee and the Delegate include obtaining an order for specific enforcement of Axiata's obligations or a claim for damages. There is no assurance that a court will provide an order for specific enforcement, which is a discretionary matter.

The amount of damages which a court may award in respect of a breach will depend upon a number of possible factors including an obligation on the Trustee and the Delegate to mitigate any loss arising as a result of the breach. No assurance is provided on the level of damages which a court may award in the event of a failure by Axiata to perform its obligations set out in the Transaction Documents to which it is a party.

Certain foreign judgments may not be enforceable against the Trustee or Axiata in Malaysia

Foreign judgments obtained in the superior courts of reciprocating countries as listed in the First Schedule of the Reciprocal Enforcement of Judgment Act 1958 (the "REJA") (other than a judgment of such a court given on appeal from a court which is not a superior court) in respect of any sum payable by the Trustee or Axiata can be recognised and enforced in Malaysia by applying to register the said foreign judgment with the Malaysian courts. This process of registration of foreign judgment dispenses the need to re-litigate or re-examine the issues in dispute, so long as the judgment: (1) is not contrary to public policy in Malaysia; (2) was not given or obtained by fraud or duress or in a manner contrary to natural justice; (3) is not directly or indirectly for the payment of taxes or other charges of a similar nature or of a fine or other penalty; (4) was by a court of competent jurisdiction in such jurisdiction and the judgment debtor being the defendant in the original court received notice of those proceedings in sufficient time to enable it to defend the proceedings; (5) has not been wholly satisfied; (6) is final and conclusive between the parties; (7) is for a fixed sum; (8) is not directly or indirectly intended to enforce the penal laws or sanctions imposed by the authorities of such jurisdiction; (9) is not preceded by a final and conclusive judgment by a court having jurisdiction in that matter; (10) is vested in the person by whom the application for registration was made; and (11) is registered with the Malaysian courts in accordance with the provisions of the REJA within six years after the date of the judgment or, where there have been proceedings by way of appeal against the judgment, after the date of the last judgment given in those proceedings. A person who has obtained a judgment against the Trustee or Axiata in a court which is not listed in the First Schedule of the REJA will have to rely entirely on the principles of common law to carry forward his action for purpose of enforcement, that is, by instituting a fresh suit in Malaysia based either on the judgment or on the original cause of action.

ADDITIONAL RISKS

Suitability of investments

The Sukuk may not be a suitable investment for all investors. Each potential investor in Sukuk must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Sukuk, the merits and risks of investing in the Sukuk and the information contained or incorporated by reference in this Offering Circular;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Sukuk and the impact the Sukuk will have on its overall investment portfolio;

- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Sukuk, including where the currency of payment is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Sukuk and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Sukuk. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Sukuk. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Any adverse change in an applicable credit rating could adversely affect the trading price of the Sukuk.

Change of law

The terms and conditions of the Sukuk and certain Transaction Documents are based on English law in effect as at the date of this Offering Circular. Certain Transaction Documents are governed by Malaysian law. No assurance can be given as to the impact of any possible judicial decision or change to English or Malaysian law or administrative practice after the date of this Offering Circular.

Investors must make their own determination as to Shari'a compliance

CIMB Islamic Bank Berhad and Dr. Hussein Hamed Sayed Hassan, the Shari'a Adviser of Deutsche Bank AG, Singapore Branch, as *Shari'a* Advisers in respect of the Programme (the "**Shari'a Scholars**") have issued a confirmation *fatwa* in respect of the Sukuk and the related structure and mechanism described in the Transaction Documents and their compliance with *Shari'a* principles. However, this *fatwa* is only an expression of the view of the relevant Shari'a adviser based on their experience in the subject and is not a binding opinion. There can be no assurance as to the *Shari'a* permissibility of the structure or the issue and the trading of the Sukuk and none of the Trustee, Axiata, the Delegate and the Dealers makes any representation as to the same. Investors are reminded that, as with any *Shari'a* views, differences in opinion are possible. Investors are advised to obtain their own independent *Shari'a* advice as to whether the structure meets their individual standards of compliance and make their own determination as to the future tradability of the Sukuk on any secondary market. Questions as to the *Shari'a* permissibility of the structure or the issue and the trading of the Sukuk may limit the liquidity and adversely affect the market value of the Sukuk.

In addition, prospective investors are reminded that the enforcement of any obligations of any of the parties in the transaction would be, if in dispute, the subject of court proceedings under the laws of Malaysia or England and Wales. In such circumstances, the arbitrator or judge (as applicable) may first apply the relevant law rather than *Shari'a* principles in determining the obligations of the parties.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or the review of such laws and regulations by certain governmental or regulatory authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (i) the Sukuk constitute legal investments for it; (ii) the Sukuk can be used as collateral for various types of

borrowing; and (iii) other restrictions apply to any purchase or pledge of any Sukuk by the investor. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Sukuk under any applicable risk-based capital or similar rules and regulations.

Exchange rate risks and exchange controls

The Trustee will pay Periodic Distribution Amounts and Dissolution Amounts on the Sukuk in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency.

These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls.

An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease: (i) the Investor's Currency equivalent yield on the Sukuk; (ii) the Investor's Currency equivalent value of the Dissolution Amount payable on the Sukuk; and (iii) the Investor's Currency equivalent market value of the Sukuk.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive a lower Dissolution Amount than expected, or no Dissolution Amount.

The Master Declaration of Trust, any Supplemental Declaration of Trust and any other Transaction Document may be modified without notice to Sukukholders

The Master Declaration of Trust contains provisions permitting the Delegate from time to time and at any time without any consent or sanction of the Sukukholders to make any modification to or to waive or authorise of any breach or proposed breach of, any of the provisions of the Master Declaration of Trust, any Supplemental Declaration of Trust or any other Transaction Document if, in the opinion of the Delegate, (i) such modification is of a formal, minor or technical nature, (ii) such modification is made to correct a manifest error or (iii) except for certain Reserved Matters defined in the Master Declaration of Trust, such modification, waiver or authorisation is not materially prejudicial to the interest of Sukukholders. Unless the Delegate otherwise decides, any such modification, waiver or authorisation shall as soon as practicable thereafter be notified by the Trustee to the Sukukholders and shall in any event be binding upon the Sukukholders.

TERMS AND CONDITIONS OF THE SUKUK

The following, other than the words in italics, is the text of the terms and conditions which, as supplemented, amended and/or replaced by the relevant Pricing Supplement, will be endorsed on each Sukuk in definitive form issued under the Programme. The terms and conditions applicable to any Sukuk in global form will differ from those terms and conditions which would apply to the Sukuk were it in definitive form to the extent described under “Summary of Provisions relating to the Sukuk while in Global Form” below.

Axiata SPV2 Berhad (in its capacity as issuer and in its capacity as trustee, the “**Trustee**”) has established a programme (the “**Programme**”) for the issuance of sukuk (the “**Sukuk**”) in a maximum aggregate face amount of U.S.\$1,500,000,000 as may be increased in accordance with the terms of the Programme Agreement (as defined below) and subject to any regulatory approval (if required).

Sukuk issued under the Programme are issued in series (each series of Sukuk being a “**Series**”). The terms for a Sukuk (or the relevant provisions thereof) are set out in Part A of the applicable Pricing Supplement attached to the relevant Supplemental Declaration of Trust or endorsed on a Certificate which supplement and amend these terms and conditions (the “**Conditions**”) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of each Series. References to the “**applicable Pricing Supplement**” are to the pricing supplement (or the relevant provisions thereof) attached to the relevant Supplemental Declaration of Trust or endorsed on each Certificate.

Each Sukuk will represent an undivided ownership interest in the relevant Trust Assets (as defined below) held on trust by the Trustee (the “**Trust**”) for the holders of such Sukuk pursuant to: (i) a master declaration of trust (the “**Master Declaration of Trust**”) dated 17 July 2012 and entered into by the Trustee, Axiata Group Berhad (“**Axiata**”) and The Hongkong and Shanghai Banking Corporation Limited as the Trustee’s delegate (the “**Delegate**”) as may be supplemented or amended from time to time; and (ii) a supplemental declaration of trust in respect of the relevant Series (the “**Supplemental Declaration of Trust**”) having the details set out in the applicable Pricing Supplement.

The Sukuk of each Series shall form a separate series and these Conditions shall apply *mutatis mutandis* separately and independently to the Sukuk of each Series and, in these Conditions, the expressions “**Sukuk**”, “**Sukukholders**” and related expressions shall be construed accordingly.

In these Conditions, references to “**Sukuk**” shall be references to the Sukuk (whether in global form as a global Certificate (a “**Global Certificate**”) or in definitive form as definitive Certificates (each a “**Definitive Certificate**”)) which are the subject of the applicable Pricing Supplement.

These Conditions include summaries of, and are subject to, the detailed provisions of the Master Declaration of Trust as supplemented by each relevant Supplemental Declaration of Trust and the other Transaction Documents.

Payments relating to the Sukuk will be made pursuant to an agency agreement dated 17 July 2012 (the “**Agency Agreement**”) made between, *inter alios*, the Trustee, the Delegate, Axiata, The Hongkong and Shanghai Banking Corporation Limited as principal paying agent (in such capacity, the “**Principal Paying Agent**” and, together with any further or other paying agents appointed from time to time in respect of the Sukuk, the “**Paying Agents**”), The Hongkong and Shanghai Banking Corporation Limited as calculation agent (together with any further or other calculation agents appointed from time to time in respect of the Sukuk, in such capacity, the “**Calculation Agent**”), The Hongkong and Shanghai Banking Corporation Limited as transfer agent (together with any further or other transfer agents appointed from time to time in respect of the Sukuk, in such capacity, the “**Transfer Agent**”)

and The Hongkong and Shanghai Banking Corporation Limited as registrar (in such capacity, a “**Registrar**”). The Paying Agents, the Calculation Agent, the Registrar and the Transfer Agent are together referred to in these Conditions as the “**Agents**”. References to the Agents or any of them shall include their successors.

The Sukukholders are entitled to the benefit of, are bound by, and are deemed to have notice of the following documents, copies of which are available for inspection during usual business hours at the principal office of the Trustee (currently at Level 5, Corporate Headquarters, Axiata Tower, 9 Jalan Stesen Sentral 5, Kuala Lumpur, Malaysia) and at the specified offices of the Paying Agents:

- (a) a master headlease agreement dated 17 July 2012 between the Trustee and Axiata (the “**Master Headlease Agreement**”) and, in respect of each Series, the applicable supplemental headlease agreement with respect thereto (each a “**Supplemental Headlease Agreement**”);
- (b) a master sublease agreement dated 17 July 2012 between the Trustee and Axiata (the “**Master Sub-Lease Agreement**”) and, in respect of each Series, the applicable supplemental sub-lease agreement with respect thereto (each a “**Supplemental Sub-Lease Agreement**”);
- (c) a master airtime sale and purchase agreement dated 17 July 2012 between the Trustee and Axiata (the “**Master Airtime Purchase Agreement**”) and, in respect of each Series, the applicable supplemental airtime sale and purchase agreement with respect thereto (each a “**Supplemental Airtime Purchase Agreement**”);
- (d) a master share sale and purchase agreement dated 17 July 2012 between the Trustee and Axiata (the “**Master Share Purchase Agreement**”) and, in respect of each Series, the applicable supplemental share sale and purchase agreement with respect thereto (each a “**Supplemental Share Purchase Agreement**”);
- (e) a master murabaha agreement dated 17 July 2012 between, *inter alios*, the Trustee and Axiata (the “**Master Murabaha Agreement**”) and, in respect of each Series, the murabaha contract with respect thereto (each a “**Murabaha Contract**”);
- (f) a transaction agency agreement dated 17 July 2012 between Axiata, the Wakeel and the transaction agent (the “**Transaction Agency Agreement**”);
- (g) a wakala agreement dated 17 July 2012 between, *inter alios*, the Trustee and Axiata (the “**Wakala Agreement**”);
- (h) a purchase undertaking dated 17 July 2012 executed by Axiata in favour of the Trustee and the Delegate (the “**Purchase Undertaking**”) containing the form of sale agreement (a “**Sale Agreement**”) to be entered into in the circumstances set out in the Purchase Undertaking;
- (i) a sale undertaking dated 17 July 2012 executed by the Trustee in favour of Axiata (the “**Sale Undertaking**”) containing the form of Sale Agreement to be entered into in the circumstances set out in the Sale Undertaking;
- (j) a redemption undertaking dated 17 July 2012 executed by the Trustee in favour of Axiata (the “**Redemption Undertaking**”);
- (k) a substitution undertaking dated 17 July 2012 executed by the Trustee in favour of Axiata (the “**Substitution Undertaking**”);
- (l) a change of control undertaking dated 17 July 2012 executed by Axiata in favour of the Trustee and the Delegate (the “**Change of Control Undertaking**”);

- (m) the Master Declaration of Trust and, in respect of each Series, the applicable Supplemental Declaration of Trust with respect thereto;
- (n) the Agency Agreement; and
- (o) in respect of each Series, the applicable Pricing Supplement,

as each may be amended and restated and/or supplemented from time to time.

Each Sukukholder, by its acquisition and holding of its interest in a Sukuk, shall be deemed, in respect of each Series, to authorise and direct the Trustee on behalf of the Sukukholders, to: (a) enter into a Murabaha Contract with Axiata; (b) acquire relevant Shares, Airtime Vouchers and/or Lease Assets from Axiata; and (c) enter into each other Transaction Document to which it is a party, subject to the terms and conditions of the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust and these Conditions.

1. INTERPRETATION

Words and expressions defined in the Master Declaration of Trust as supplemented by any relevant Supplemental Declaration of Trust and the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and **provided that**, in the event of any inconsistency between any such document and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail. In addition, in these Conditions the following expressions have the following meanings:

“**Accountholder**” means each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as entitled to a particular face amount of the Sukuk (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the face amount of such Sukuk standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error);

“**Additional Business Center**” has the meaning given to it in the applicable Pricing Supplement;

“**Additional Distribution Period**” has the meaning given to it in the Purchase Undertaking;

“**Additional Lease Period**” has the meaning given to it in the Purchase Undertaking;

“**Airtime Voucher**” means, in relation to a particular Series, airtime vouchers sold pursuant to the Supplemental Airtime Purchase Agreement relating to such Series;

“**Authorised Entity**” means an entity which is a duly licenced provider of telecommunications services or such other person as may lawfully provide such telecommunications services in the jurisdiction in which such person is providing telecommunications services;

“**Axiata Event**” has the meaning given to it in Condition 15 (*Dissolution Events*);

“**Broken Amount**” has the meaning given to it in the applicable Pricing Supplement;

“**Business Day**” has the meaning given to it in Condition 9(b) (*Floating Periodic Distribution Provisions — Periodic Distribution Amount*);

“Business Day Convention”, in relation to any particular date, has the meaning given in the applicable Pricing Supplement and, if so specified in the applicable Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) **“Following Business Day Convention”** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) **“Modified Following Business Day Convention”** or **“Modified Business Day Convention”** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (c) **“Preceding Business Day Convention”** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) **“FRN Convention”, “Floating Rate Convention”** or **“Eurodollar Convention”** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the applicable Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**
 - (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (e) **“No Adjustment”** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

“Calculation Amount” has the meaning given to it in the applicable Pricing Supplement;

“Cancellation Dissolution Date” means the date on which all of the Sukuk are cancelled following an exercise of the Redemption Undertaking;

“Cancellation Notice” means a notice substantially in the form set out in schedule 1 (*Form of Cancellation Notice*) of the Redemption Undertaking;

“Cancellation Sukuk” means, in relation to a particular Series, the Sukuk specified as such in the relevant Cancellation Notice;

“Certificate” has the meaning given to in Condition 2(a) (*Form, Denomination and Title — Form and Denomination*);

“Change of Control” shall have the meaning given to it in the applicable Pricing Supplement (to the extent that such Pricing Supplement also specifies the Change of Control Exercise Option as being applicable);

“**Change of Control Amount**” means, in relation to a particular Series, the aggregate face amount of the Change of Control Sukuk to be redeemed plus any due but unpaid Periodic Distribution Amounts under such Change of Control Sukuk;

“**Change of Control Confirmation Notice**” has the meaning given in Condition 14(c) (*Purchase and Cancellation of Sukuk — Redemption at the Option of the Sukukholders (Change of Control Exercise Option)*);

“**Change of Control Exercise Option**” means the option specified in Condition 14(c) (*Purchase and Cancellation of Sukuk — Redemption at the Option of the Sukukholders (Change of Control Exercise Option)*);

“**Change of Control Exercise Period**” has the meaning given in Condition 14(c) (*Purchase and Cancellation of Sukuk — Redemption at the Option of the Sukukholders (Change of Control Exercise Option)*);

“**Change of Control Exercise Notice**” has the meaning given in Condition 14(c) (*Purchase and Cancellation of Sukuk — Redemption at the Option of the Sukukholders (Change of Control Exercise Option)*);

“**Change of Control Exercise Notice Receipt**” has the meaning given in Condition 14(c) (*Purchase and Cancellation of Sukuk — Redemption at the Option of the Sukukholders (Change of Control Exercise Option)*);

“**Change of Control Notice**” has the meaning given in Condition 14(c) (*Purchase and Cancellation of Sukuk — Redemption at the Option of the Sukukholders (Change of Control Exercise Option)*);

“**Change of Control Purchase Notice**” means a notice substantially in the form set out in schedule 1 (*Form of Change of Control Purchase Notice*) of the Change of Control Undertaking;

“**Change of Control Sukuk**” means, in relation to a particular Series, the Sukuk specified in the relevant Change of Control Purchase Notice;

“**Change of Control Triggering Event**” means a Change of Control, **provided that**, in the event that the Sukuk are, on the Rating Date, rated Investment Grade by two Rating Agencies, a Change of Control Triggering Event shall mean the occurrence of both a Change of Control and a Rating Downgrade;

“**Clearstream, Luxembourg**” has the meaning given to it in Condition 2(a) (*Form, Denomination and Title — Form and Denomination*);

“**Collection Account**” means the ledger account to be maintained by the Wakeel in accordance with the terms of the Wakala Agreement;

“**Continuing Director**” means, as of the date of any determination, any member of the board of directors of Axiata who:

- (a) was a member of such board of directors on the Issue Date (the “**Existing Directors**”); or
- (b) was nominated for election or elected to such board of directors (in circumstances where such board of directors consisted only of Existing Directors prior to such election) with the approval of a majority of the Existing Directors (each person so elected an “**Approved Director**”); or

- (c) was nominated for election or elected to such board of directors (in circumstances where such board of directors contained at least one Approved Director prior to such election) with the approval of a majority of the Existing Directors, if any, and Approved Director(s);

“**Day Count Fraction**” has the meaning given to it in Condition 8(c) (*Fixed Periodic Distribution Provisions — Determination of Periodic Distribution Amount*) (if the Fixed Periodic Distribution provisions are applicable) or Condition 9(e) (*Floating Periodic Distribution Provisions — Calculation of Periodic Distribution Amount*) if the Floating Periodic Distribution Provisions are applicable);

“**Deferred Payment Price**” has the meaning given to it in the Master Murabaha Agreement;

“**Delegation**” has the meaning given to it in Condition 20 (*The Delegate*);

“**Determination Date**” has the meaning specified in the applicable Pricing Supplement;

“**Determination Period**” means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Return Accrual Commencement Date or the final Periodic Distribution Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

“**Dispute**” has the meaning given to it in Condition 22 (*Governing Law*);

“**Dissolution Amount**” means, in relation to a particular Series, either:

- (a) the sum of:
- (i) the outstanding face amount of such Series; and
 - (ii) any due but unpaid Periodic Distribution Amounts for such Series; or
- (b) such other amount specified in the applicable Pricing Supplement as being payable upon dissolution of the relevant Series;

“**Dissolution Date**” means, in relation to a particular Series, either:

- (a) the Scheduled Dissolution Date;
- (b) the Tax Redemption Date;
- (c) the Total Loss Dissolution Date;
- (d) the Revocation Event Dissolution Date;
- (e) if an Optional Dissolution Right is applicable to the relevant Series, the Optional Dissolution Date;
- (f) the Cancellation Dissolution Date; or
- (g) the Dissolution Event Redemption Date;

“**Dissolution Event**” has the meaning given to it in Condition 15 (*Dissolution Events*);

“**Dissolution Event Redemption Date**” has the meaning given to it in Condition 15 (*Dissolution Events*);

“**Dissolution Request**” has the meaning given to it in Condition 15 (*Dissolution Events*);

“**Distribution Profit**” means, in relation to a particular Distribution Period, an amount equal to the Voucher Percentage of the Periodic Distribution Amount for the corresponding Return Accumulation Period as determined in accordance with Condition 8(c) (*Fixed Periodic Distribution Provisions — Determination of Periodic Distribution Amount*);

“**Early Dissolution Amount (Tax)**” means, in respect of any Sukuk, the Dissolution Amount or such other amount specified in the applicable Pricing Supplement;

“**Euroclear**” has the meaning given to it in Condition 2(a) (*Form, Denomination and Title — Form and Denomination*);

“**Exercise Notice**” means (as the context requires) an exercise notice delivered or to be delivered in connection with any Purchase Undertaking or Sale Undertaking;

“**Extraordinary Resolution**” has the meaning given to it in schedule 4 (*Provisions for Meetings of Sukukholders*) to the Master Declaration of Trust;

“**First Periodic Distribution Date**” has the meaning given to it in the applicable Pricing Supplement;

“**Fixed Amount**” has the meaning given to it in the applicable Pricing Supplement;

“**Fixed Periodic Distribution Provisions**” has the meaning given to it in Condition 8(a) (*Fixed Periodic Distribution Provisions — Application*);

“**Floating Periodic Distribution Provisions**” has the meaning given to it in Condition 9(a) (*Floating Periodic Distribution Provisions — Application*);

“**Head Lease Interest**” means, in relation to a Series, all of the present and future rights, interests, obligations and ownership interest of the Trustee in its capacity as lessee under the relevant Supplemental Headlease Agreement;

“**Investment Grade**” means a rating of “AAA”, “AA”, “A” or “BBB”, as modified by a “+” or “-” indication, or an equivalent rating representing one of the four highest rating categories, by S&P or any of its successors or assigns; a rating of “Aaa”, or “Aa”, “A” or “Baa”, as modified by a “1”, “2” or “3” indication, or an equivalent rating representing one of the four highest rating categories, by Moody’s, or any of its successors or assigns; or the equivalent ratings of any internationally recognised rating agency or agencies, as the case may be, which shall have been designated by the Trustee as having been substituted for S&P or Moody’s or any combination thereof, as the case may be;

“**Issue Date**” has the meaning given to it in the applicable Pricing Supplement;

“**Issue Price**” has the meaning given to it in the applicable Pricing Supplement;

“**Lease Assets**” means, in relation to a particular Series, the assets to be leased pursuant to and as set out in schedule 1 (*Lease Assets*) of the Supplemental Headlease Agreement for that Series, as such assets may be repaired, refurbished, upgraded or replaced from time to time;

“Lease Payment” means, in relation to any Series comprising Lease Assets, the amount to be paid by the lessee to the lessor in consideration for the lease of the Lease Assets in relation to a particular Series, pursuant to the Master Headlease Agreement and the relevant Supplemental Headlease Agreement;

“Lease Percentage” means, in relation to a particular Series comprising Lease Assets and at any time, the ratio (expressed as a percentage) of (i) the aggregate Value of the relevant Lease Assets to (ii) the aggregate Value of the Airtime Vouchers (if any) and Lease Assets at that time;

“Liability” means, in respect of any person, any actual loss, damage, cost, charge, award, claim, demand, expense, judgment, action, proceeding or other liability whatsoever and including any value added tax or similar tax charged or chargeable in respect of any sums referred to in this definition and legal or other fees and expenses on a full indemnity basis and references to **“Liabilities”** shall mean all of these;

“Murabaha Indemnity Amount” has the meaning given to it in the Master Murabaha Agreement;

“Margin” has the meaning given to it in the applicable Pricing Supplement;

“New Lease Assets” means the assets specified as such in a notice substantially in the form set out in schedule 1 (*Form of Substitution Notice*) of the Substitution Undertaking which shall only comprise of *Shari’a* compliant assets;

“Optional Dissolution Date” means, in relation to the exercise of an Optional Dissolution Right, the date specified as such in the Exercise Notice delivered by Axiata to the Trustee and:

- (a) if the Floating Periodic Distribution Provisions are specified in the applicable Pricing Supplement as being applicable, must be a Periodic Distribution Date; and
- (b) must be no less than 30 days and no more than 60 days after the date on which the Exercise Notice is delivered to the Trustee;

“Optional Dissolution Right” means the right specified in Condition 11(c) (*Capital Distributions of the Trust — Dissolution at the Option of Axiata*);

“Outstanding Amount” means, in relation to a particular Series and at any given time, the aggregate face amount of the relevant Sukuk outstanding at that time;

“Payment Business Day” means a day on which banks in the relevant place of surrender of any Certificate are open for presentation and payment of registered securities and for dealings in foreign currencies; and in the case of payment by transfer to an account, if the currency of payment is euro, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Business Centre; or if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the principal financial centre of the currency of payment and in each (if any) Additional Business Centre;

“Periodic Distribution Amount” has the meaning given to it in Condition 8(b) (*Fixed Periodic Distribution Provisions — Periodic Distribution Amount*) or Condition 9(b) (*Floating Periodic Distribution Provisions — Periodic Distribution Amount*), as specified in the applicable Pricing Supplement;

“Periodic Distribution Date” has the meaning given to it in Condition 9(b) (*Floating Periodic Distribution Provisions — Periodic Distribution Amount*);

“**Person**” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“**Potential Dissolution Event**” means any condition, event or act which, with the giving of notice, lapse of time, declaration, demand, determination or fulfilment of any other applicable condition (or any combination of the foregoing), would constitute a Dissolution Event;

“**Proceedings**” has the meaning given to it in Condition 22 (*Governing Law*);

“**Proceeds**” means the proceeds of the issuance of a Series of Sukuk;

“**Programme Agreement**” means the programme agreement between the Trustee, Axiata and the Dealers named therein dated 17 July 2012 as amended and restated by an amended and restated programme agreement dated 23 October 2015 and as further amended, restated or supplemented from time to time;

“**Rate**” means, in relation to a particular Series, the rate or rates (expressed as a per cent. per annum) specified in the applicable Pricing Supplement for such Series and calculated or determined in accordance with these Conditions and/or the applicable Pricing Supplement;

“**Rating Agencies**” means (i) Moody’s Investors Service, Inc. (“**Moody’s**”); (ii) Standard & Poor’s Rating Services, a division of the McGraw-Hill Companies, Inc. (“**S&P**”); and (iii) if either or both of Moody’s or S&P shall not make a rating of the Sukuk publicly available, an internationally recognised securities rating agency or agencies, as the case may be, selected by Axiata, which shall be substituted for Moody’s, S&P or both, as the case may be;

“**Rating Date**” means in connection with a Change of Control Triggering Event, that date which is 90 days prior to the earlier of (x) a Change of Control and (y) a public notice of the occurrence of a Change of Control or of the intention by Axiata or any other person or persons to effect a Change of Control;

“**Rating Downgrade**” means in connection with a Change of Control Triggering Event, the Sukuk cease to be rated Investment Grade by each of the two Rating Agencies rating the Sukuk on, or within six months after, the date of, or public notice of the occurrence of, a Change of Control or the intention by Axiata or any other person or persons to effect a Change of Control (which period shall be extended (by no more than an additional three months after the consummation of the Change of Control) so long as the rating of the Sukuk is under publicly announced consideration for possible downgrade by any of the Rating Agencies);

“**Record Date**” has the meaning given to it in Condition 10(a) (*Payment — Payments in respect of Sukuk*);

“**Reference Banks**” means the four major banks selected by the Calculation Agent (in consultation with Axiata) in the market that is most closely connected with the Reference Rate, **provided that** once a Reference Bank has first been selected by the Calculation Agent or its duly appointed representative, such Reference Bank shall not be changed unless it ceases to be capable of acting as such;

“**Reference Rate**” has the meaning given in the relevant Pricing Supplement;

“**Register**” has the meaning given to it in Condition 2(a) (*Form, Denomination and Title — Form and Denomination*);

“Regular Period” means:

- (a) in the case of Sukuk where Periodic Distribution Amounts are scheduled to be paid only by means of regular payments, each period from and including the Return Accrual Commencement Date to but excluding the first Periodic Distribution Date and each successive period from and including one Periodic Distribution Date to but excluding the next Periodic Distribution Date;
- (b) in the case of Sukuk where, apart from the first Return Accumulation Period, Periodic Distribution Amounts are scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **“Regular Date”** means the day and month (but not the year) on which any Periodic Distribution Date falls; and
- (c) in the case of Sukuk where, apart from one Return Accumulation Period other than the first Return Accumulation Period, Periodic Distribution Amounts are scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **“Regular Date”** means the day and month (but not the year) on which any Periodic Distribution Date falls other than the Periodic Distribution Date falling at the end of the irregular Return Accumulation Period;

“Relevant Date” has the meaning given to it in Condition 12 (*Taxation*);

“Relevant Jurisdiction” has the meaning given to it in Condition 12 (*Taxation*);

“Relevant Powers” has the meaning given to it in Condition 20 (*The Delegate*);

“Rental” for each Lease Period means an amount equal to the aggregate of:

- (a) the Lease Percentage of the Periodic Distribution Amount for the corresponding Return Accumulation Period as determined in accordance with Condition 8(c) (*Fixed Periodic Distribution Provisions — Determination of Periodic Distribution Amount*); and
- (b) the Supplementary Rental (if any);

“Residual Assets” means, in relation to any Series:

- (a) where such Series comprises Airtime Vouchers and Lease Assets at such time;
 - (i) following the occurrence of a Revocation Event, the unsold Airtime Vouchers and the remaining Lease Assets; or
 - (ii) following the occurrence of a Total Loss Termination Event, the unsold Airtime Vouchers at such time or
- (b) where such Series comprises Airtime Vouchers but not Lease Assets at such time, following the occurrence of a Revocation Event, the unsold Airtime Vouchers,

provided always that where a Series comprises Shares, “Residual Assets” shall also include such Shares.

“Residual Assets Exercise Price” means, at any time, and in relation to a Series, an amount equal to the aggregate of:

- (a) the outstanding face amount of the Sukuk for that Series;

- (b) to the extent such Series originally comprised Lease Assets, all accrued but unpaid Rental (or part thereof) relating to the Lease Assets (if any), to the extent not received by the Trustee in its capacity as Lessor under the Supplemental Sub-Lease Agreement;
- (c) without duplication or double counting, an amount equal to any accrued but unpaid Wakala Services Charge Amount; and
- (d) to the extent such Series originally comprised Airtime Vouchers, all accrued but unpaid Distribution Profit (or part thereof) relating to the Airtime Vouchers (if any), to the extent not received by the Trustee under the Master Wakala Agreement,

less

- (e) an amount equal to only one of the following (as applicable):
 - (i) the outstanding Deferred Payment Price (after any reduction pursuant to the Master Murabaha Agreement) due under the Master Murabaha Agreement, where a Murabaha Contract has been concluded for that Series pursuant to the Master Murabaha Agreement; or
 - (ii) the outstanding Murabaha Indemnity Amount (after any reduction pursuant to the Master Murabaha Agreement) due under the Master Murabaha Agreement, where a Murabaha Contract has not been concluded pursuant to the Master Murabaha Agreement for that Series but the Wakeel has complied with its obligations contained in the Master Wakala Agreement; or
 - (iii) the outstanding Wakala Indemnity Amount (after any reduction pursuant to the Master Wakala Agreement) due under the Master Wakala Agreement, where the Wakeel has failed to comply with its obligations in the Master Wakala Agreement; and
- (f) to the extent such Series originally comprised Lease Assets and an Exercise Notice has been served immediately following a Total Loss Termination Event, the Takaful/Insurance Coverage Amount for that Series,

which price Axiata, the Trustee and the Delegate acknowledge shall be the price for the remaining Wakala Assets following the occurrence of a Revocation Event and/or a Total Loss Termination Event (as applicable);

“Return Accrual Commencement Date” has the meaning given to it in the applicable Pricing Supplement;

“Return Accumulation Period” means the period from (and including) a Periodic Distribution Date (or, in the case of the first Return Accumulation Period, the Issue Date) to (but excluding) the next (or, in the case of the first Return Accumulation Period, the first) Periodic Distribution Date;

“Revocation Date” means, in relation to a Revocation Event, the earlier of the date that (A) the Trustee is notified and (B) the Trustee becomes aware that a provider of Airtime Vouchers for a particular Series has ceased to be an Authorised Entity;

“Revocation Event” means, in respect of a Series, an event or circumstance where (i) such Series comprises Airtime Vouchers but does not also comprise Lease Assets at that time (ii) the Revocation Date has occurred and (iii) Axiata is unable within 45 days of the Revocation Date to lease new assets to the Trustee pursuant to a Supplemental Headlease Agreement or (in its capacity as Wakeel) obtain Airtime Vouchers pursuant to a Supplemental Airtime Purchase Agreement, in each case for an amount at least equal to the aggregate amount of Airtime Vouchers owned by the Trustee but unsold as at the Revocation Date;

“**Revocation Event Dissolution Date**” has the meaning given in Condition 11(f) (*Capital Distributions of the Trust — Dissolution following a Revocation Event*);

“**Sale Agreement**” means any sale agreement entered into in connection with the Purchase Undertaking or the Sale Undertaking;

“**Scheduled Dissolution Date**” means, in respect of each Series, the date specified as such in the applicable Pricing Supplement;

“**Shari’a**” means the *Shari’a* as interpreted by the *Shari’a* Board;

“**Shari’a Board**” means (i) in relation to the first issuance under the Programme, the Central Shariah Committee of HSBC Bank Middle East Limited, and (ii) for subsequent issuances under the Programme, any other Shari’a adviser appointed by the Trustee from time to time, provided that at any time, at least one Shari’a adviser appointed must be (a) a person or a corporation, registered with the Securities Commission Malaysia, (b) a licenced Islamic bank under the Islamic Financial Services Act of Malaysia, 2013, or (c) a licenced bank or licenced investment bank approved to carry on Islamic banking business under the Islamic Financial Services Act of Malaysia 2013;

“**Specific Period Distribution Date**” has the meaning given to it in the applicable Pricing Supplement;

“**Specified Currency**” has the meaning given to it in the applicable Pricing Supplement;

“**Specified Denomination(s)**” has the meaning given to it in the applicable Pricing Supplement;

“**sub-unit**” has the meaning given to it in Condition 9(e) (*Floating Periodic Distribution Provisions — Calculation of Periodic Distribution Amount*);

“**Sukuk Assets**” means:

- (a) any Airtime Vouchers to be purchased by the Trustee from Axiata pursuant to the Master Airtime Purchase Agreement and any relevant Supplemental Airtime Purchase Agreement;
- (b) any Shares to be purchased by the Trustee from Axiata pursuant to the Master Share Purchase Agreement and any relevant Supplemental Share Purchase Agreement;
- (c) any Lease Assets to be leased by the Trustee from Axiata pursuant to the Master Headlease Agreement and any relevant Supplemental Headlease Agreement; and/or
- (d) any Commodities to be purchased by the Trustee (or by the Wakeel on its behalf) to be sold to Axiata pursuant to the Master Murabaha Agreement);

“**Sukuk Exercise Price**” means, in relation to each Series and at any time, an amount equal to the aggregate of:

- (a) the outstanding face amount of the Sukuk for that Series;
- (b) to the extent such Series comprised Lease Assets, all accrued but unpaid Rental (or part thereof) relating to the Lease Assets (if any), to the extent not received by the Trustee in its capacity as Lessor under the Supplemental Sub-Lease Agreement;
- (c) to the extent such Series comprised Airtime Vouchers, all accrued but unpaid Distribution Profit (or part thereof) relating to the Airtime Vouchers (if any), to the extent not received by the Trustee under the Master Wakala Agreement;

- (d) without duplication or double counting, an amount equal to any accrued but unpaid Wakala Services Charge Amount;
- (e) an amount equal to any outstanding Cancellation Amounts payable in relation to the exercise of the Redemption Undertaking (to the extent not already set off pursuant to the Transaction Documents); and
- (f) without duplication or double-counting, an amount representing any prior ranking claims (as described in items (i) and (ii) of Condition 6(d) (*Trust — Application of Proceeds from Trust Assets*)) in accordance with Condition 6(d) (*Trust — Application of Proceeds from Trust Assets*);

less

- (g) to the extent such Series comprises a Murabaha Contract, an amount equal to only one of the following (as applicable):
 - (i) the outstanding Deferred Payment Price (after any reduction pursuant to the Master Murabaha Agreement) due under the Master Murabaha Agreement, where a Murabaha Contract has been concluded for that Series pursuant to the Master Murabaha Agreement; or
 - (ii) the outstanding Murabaha Indemnity Amount (after any reduction pursuant to the Master Murabaha Agreement) due under the Master Murabaha Agreement, where a Murabaha Contract has not been concluded for that Series pursuant to the Master Murabaha Agreement but the Wakeel has complied with its obligations contained in the Master Wakala Agreement; or
 - (iii) the outstanding Wakala Indemnity Amount (after any reduction pursuant to the Master Wakala Agreement) due under the Master Wakala Agreement, where the Wakeel has failed to comply with its obligations in the Master Wakala Agreement;

“Sukukholder” means a person in whose name a Sukuk is registered in the Register (or in the case of joint holders, the first named thereof) save that, for so long as the Sukuk of any Series are represented by a Global Certificate, each Accountholder shall be deemed to be the Sukukholder in respect of the aggregate face amount of such Sukuk standing to its account in the records of Euroclear or Clearstream, Luxembourg, as the case may be, for the purposes hereof other than for the purpose of payments in respect thereof, the right to which shall be vested, as against the Trustee, solely in the registered holder of such Global Certificate in accordance with and subject to the terms of the Master Declaration of Trust as supplemented by the relevant supplemental Declaration of Trust and such Global Certificates, and the expressions **“holder”** and **“holder of Sukuk”** and related expressions shall (where appropriate) be construed accordingly;

“Takaful/Insurance Coverage Amount” means, at any time, and in relation to a particular Series comprising Lease Assets, an amount equal to:

- (a) the aggregate of:
 - (i) the Outstanding Amount;
 - (ii) without duplication or double counting, an amount equal to any Wakala Services Charge Amount outstanding under the terms of this Agreement; and
 - (iii) an amount equal to the Rental payable by Axiata as lessee under the relevant Supplemental Sub-Lease Agreement for the subsequent 50 day period,

less

- (b) an amount equal to the aggregate of:
 - (i) the Share Value (if applicable to that Series);
 - (ii) the aggregate Voucher Cost Price of Airtime Vouchers owned by the Trustee but unsold by the Wakeel (if applicable to that Series);
 - (iii) only one of the following (to the extent applicable to that Series):
 - (A) the outstanding Deferred Payment Price where a Murabaha Contract has been concluded pursuant to the Master Murabaha Agreement; or
 - (B) the outstanding Murabaha Indemnity Amount (after any reduction pursuant to the Master Murabaha Agreement), where a Murabaha Contract has not been concluded pursuant to the Master Murabaha Agreement but the Wakeel has complied with its obligations in the Master Murabaha Agreement; or
 - (C) the outstanding Wakala Indemnity Amount (after any reduction pursuant to the Master Murabaha Agreement), where the Wakeel has failed to comply with its obligations in the Master Murabaha Agreement;

“**Takaful/Insurances**” means the insurances which the Wakeel is required to take out, to the extent that it is reasonable and commercially practicable, in a *Shari’a* compliant manner, in relation to the Lease Assets on behalf of the Trustee in accordance with the terms of the Master Wakala Agreement;

“**TARGET Settlement Day**” means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET or TARGET 2) (the “**TARGET System**”) is open;

“**Tax Event**” has the meaning given to it in Condition 11(b) (*Capital Distributions of the Trust — Early Dissolution for Tax Reasons*);

“**Tax Redemption Date**” means the date specified as such in the Exercise Notice delivered by Axiata to the Trustee and:

- (a) if the Floating Periodic Distribution Provisions are specified in the applicable Pricing Supplement as being applicable, must be a Periodic Distribution Date; and
- (b) must be no less than 30 days and no more than 60 days after the date on which the Exercise Notice is delivered to the Trustee;

“**Taxes**” has the meaning given to it in Condition 12 (*Taxation*);

“**Total Loss Dissolution Date**” has the meaning given to it in Condition 11(e) (*Capital Distributions of the Trust — Dissolution following a Total Loss Event*);

“**Total Loss Event**” means, in relation to a Series comprising Lease Assets, the earlier of the date that (A) the Trustee is notified and (B) the Trustee becomes aware of (i) a total loss or destruction of, or damage to the whole of the Lease Assets in a particular Series or any event or occurrence that renders the whole of such Lease Assets permanently unfit for any economic use and (but only after taking into consideration any insurances or other indemnity granted in each case by any third party in respect of the Lease Assets) the repair or remedial work in respect thereof is wholly uneconomical or (ii) Axiata ceasing to have full legal ownership in the entirety of the Lease Assets;

“**Total Loss Termination Event**” means an event or circumstance where (i) a Series comprises Lease Assets but does not also comprise Airtime Vouchers at such time (ii) a Total Loss Event has occurred and (iii) Axiata is unable, within 45 days of the Total Loss Event occurring, to lease new assets to the Trustee pursuant to a Supplemental Headlease Agreement or (in its capacity as Wakeel) purchase Airtime Vouchers pursuant to a Supplemental Airtime Purchase Agreement, in each case for an amount at least equal to the Takaful/Insurance Coverage Amount;

“**Transaction Account**” has the meaning given to it in Condition 6(c) (*Trust — Operation of Transaction Account*);

“**Transaction Documents**” means, in relation to each Series, the Master Wakala Agreement, the Master Murabaha Agreement, the Transaction Agency Agreement, the Master Headlease Agreement, any relevant Supplemental Headlease Agreement, the Master Sub-Lease Agreement, any relevant Supplemental Sub-Lease Agreement, the Master Share Purchase Agreement, any relevant Supplemental Share Purchase Agreement, the Master Airtime Purchase Agreement, any relevant Supplemental Airtime Purchase Agreement, the Purchase Undertaking, the Sale Undertaking, any relevant Sale Agreement, the Redemption Undertaking, the Change of Control Undertaking, the Substitution Undertaking, the Master Declaration of Trust, any relevant Supplemental Declaration of Trust, the Agency Agreement, the Programme Agreement, any relevant Certificate and any documents specified in the applicable Pricing Supplement;

“**Trust Assets**” has the meaning given to it in Condition 6(b) (*Trust — Trust Assets*);

“**Value**” means, in relation to a particular Series and at any time:

- (a) in respect of Airtime Vouchers, the aggregate Voucher Cost Price of such Airtime Vouchers on the Issue Date and any subsequent Airtime Vouchers purchased pursuant to the terms of the Transaction Documents whilst such Series remains outstanding, less the aggregate Voucher Cost Price of any Airtime Vouchers which Axiata has substituted with Lease Assets pursuant to the terms of the Transaction Documents **provided that** following a Revocation Event this amount shall be reduced to zero until new Airtime Vouchers have been purchased pursuant to a Supplemental Airtime Purchase Agreement;
- (b) in respect of Lease Assets, an amount equal to the amount of the relevant Lease Payment and any subsequent Lease Payments paid pursuant to the terms of the Transaction Documents whilst such Series remains outstanding, less the aggregate Voucher Cost Price of any Airtime Vouchers replacing the relevant Lease Assets pursuant to the terms of the Transaction Documents, **provided that** following a Total Loss Event this amount shall be reduced to zero until such time that additional Lease Assets have been leased pursuant to a Supplemental Sub-Lease Agreement; and
- (c) in respect of Shares, the Share Purchase Price for such Shares,

in each case, in the Specified Currency.

“**Voucher Percentage**” has the meaning given in the Master Wakala Agreement;

“**Wakala Assets**” means, in relation to each Series, the relevant Airtime Vouchers, Lease Assets and/or Shares (as relevant);

“**Wakala Services**” means, in relation to each Series, the following services to be provided by the Wakeel in accordance with the terms and conditions of the Master Wakala Agreement:

- (a) where such Series comprises Lease Assets, each of the services specified in the Master Wakala Agreement relating to the Lease Assets to be provided by the Wakeel on behalf of the Trustee;

- (b) where such Series comprises Shares, each of the services relating to the Shares specified in the Master Wakala Agreement to be provided by the Wakeel on behalf of the Trustee;
- (c) where such Series comprises a Murabaha Contract, each of the services relating to the Murabaha Contracts specified in the Master Wakala Agreement to be provided by the Wakeel on behalf of the Trustee; and
- (d) where such Series comprises Airtime Vouchers, each of the services relating to Airtime Vouchers specified in the Master Wakala Agreement to be provided by the Wakeel on behalf of the Trustee;

“**Wakala Services Charge Amount**” means, in respect of a Wakala Services Period, all payments made or costs incurred by the Wakeel in respect of the Wakala Services performed during that Wakala Services Period;

“**Wakala Services End Date**” means, in relation to a particular Series, the Dissolution Date for that Series, unless:

- (a) where that Series comprises Lease Assets, a Total Loss Termination Event occurs;
- (b) where that Series comprises Airtime Vouchers, a Revocation Event occurs; or
- (c) the Wakala Services End Date is extended in accordance with the Purchase Undertaking,

in which case it shall mean (i) in the case of (a) above, the date of the Total Loss Dissolution Date; (ii) in the case of (b) above, the date of the Revocation Event Dissolution Date and (iii) in the case of (c) above, the later of (A) the last day of the Additional Lease Period or (B) the last day of the final Additional Distribution Period (as appropriate);

“**Wakala Services Payment Date**” means the date falling one Business Day prior to each Periodic Distribution Date and, in relation to the final Wakala Services Payment Date, the Dissolution Date;

“**Wakala Services Period**” means, in relation to a Series, the period from, and including, a Wakala Services Payment Date (or with respect to the first Wakala Service Period, from, and including, the Issue Date of the relevant Sukuk for that Series) to, but excluding, the immediately following Wakala Services Payment Date (or, with respect to the final Wakala Services Period, the Wakala Services End Date); and

All references in these Conditions to “**U.S. dollars**”, “**USD**”, “**U.S.\$**” and “**\$**” are to the lawful currency of the United States of America. All references to “**euro**” and “**€**” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Union, as amended.

2. FORM, DENOMINATION AND TITLE

(a) Form and Denomination

The Sukuk are issued in registered form in the Specified Denomination(s). A certificate (each a “**Certificate**”) will be issued to each Sukukholder in respect of its registered holding of Sukuk. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Sukukholders (the “**Register**”) which the Trustee will cause to be kept by the Registrar outside Hong Kong and the United Kingdom in accordance with the provisions of the Agency Agreement.

Upon issue, Sukuk will be represented by beneficial interests in one or more Global Certificates, in fully registered form, which will be deposited with, and registered in the name of a nominee for, a common depositary for Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking S.A. (“Clearstream, Luxembourg”). Ownership interests in Global Certificates will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg (as applicable), and their respective participants.

References to Euroclear and Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

(b) Title

Title to the Sukuk passes only by registration in the Register. Subject to the terms of any relevant Global Certificate and/or the definition of “Sukukholders”, the registered holder of any Sukuk will (except as otherwise required by law) be treated as the absolute owner of the Sukuk represented by the Certificate for all purposes (whether or not any payment thereon is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate) and no person will be liable for so treating the holder of any Sukuk. The registered holder of a Sukuk will be recognised by the Trustee as entitled to his Sukuk free from any equity, set-off or counterclaim on the part of the Trustee against the original or any intermediate holder of such Sukuk.

The Trustee and the Delegate may call for and shall be at liberty to accept and place full reliance on as sufficient evidence thereof and shall not be liable to any Sukukholder by reason only of either having accepted as valid or not having rejected an original certificate or letter of confirmation purporting to be signed on behalf of Euroclear or Clearstream, Luxembourg or any other relevant clearing system to the effect that at any particular time or throughout any particular period any particular person is, was or will be shown in its records as having a particular nominal amount of Sukuk credited to his or her securities account.

3. TRANSFERS OF SUKUK

(a) Transfers

Subject to Condition 3(d) (*Transfers of Sukuk — Closed Periods*), Condition 3(e) (*Transfers of Sukuk — Regulations*), the limitations as to transfer set out in Condition 2(b) (*Form, Denomination and Title — Title*) and the provisions of the Agency Agreement, a Sukuk may be transferred whole or in an amount equal to the Specified Denomination(s) or any integral multiple thereof by depositing the Certificate, with the form of transfer on the back, duly completed and signed, at the specified office of the Transfer Agent together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the individuals who have executed the forms of transfer.

Transfers of interests in the Sukuk represented by a Global Certificate will be effected in accordance with the rules of the relevant clearing system through which the interest is held.

(b) **Delivery of New Certificates**

Each new Certificate to be issued upon any transfer of Sukuk will, within three (3) business days of receipt by the Transfer Agent of the duly completed form of transfer endorsed on the relevant Certificate, be mailed by uninsured mail at the risk of the holder entitled to the Sukuk to the address specified in the form of transfer. For the purposes of this Condition, “**business day**” shall mean a day on which banks are open for business in the city in which the specified office of the Transfer Agent with whom a Certificate is deposited in connection with a transfer is located.

Where some but not all of the Sukuk in respect of which a Certificate is issued are to be transferred, a new Certificate in respect of the Sukuk not so transferred will, within five (5) business days of receipt by the Transfer Agent of the original Certificate, be mailed by uninsured mail at the risk of the holder of the Sukuk not so transferred to the address of such holder appearing on the Register or as specified in the form of transfer.

Except in the limited circumstances described in each Global Certificate, owners of interests in a Global Certificate will not be entitled to receive physical delivery of Certificates.

(c) **Formalities Free of Charge**

Registration of any transfer of Sukuk will be effected without charge on behalf of the Trustee by the Registrar or the Transfer Agent but upon payment (or the giving of such indemnity as the Trustee, Registrar or Transfer Agent may reasonably require) by the transferee in respect of any stamp duty, tax or other governmental charges which may be imposed in relation to such transfer.

(d) **Closed Periods**

No Sukukholder may require the transfer of a Sukuk to be registered during the period of fifteen (15) days ending on (and including) the due date for any payment of the Dissolution Amount or any Periodic Distribution Amount (as defined in Condition 8(b) (*Fixed Periodic Distribution Provisions — Periodic Distribution Amount*) or Condition 9(b) (*Floating Periodic Distribution Provisions — Periodic Distribution Amount*), as specified in the applicable Pricing Supplement) or any other date on which payment of the face amount or payment of any profit in respect of a Sukuk falls due as specified in the applicable Pricing Supplement.

(e) **Regulations**

All transfers of Sukuk and entries on the Register will be made subject to the detailed regulations concerning transfers of Sukuk scheduled to the Master Declaration of Trust. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Sukukholder who requests in writing a copy of such regulations.

Unless otherwise requested by him, each Sukukholder shall be entitled to receive, in accordance with Condition 2(b) (*Form, Denomination and Title — Title*), only one Certificate in respect of his or her entire holding of Sukuk. In the case of a transfer of a portion of the face amount of a Sukuk, a new Certificate in respect of the balance of the Sukuk not transferred will be issued to the transferor in accordance with Condition 3(b) (*Transfers of Sukuk — Delivery of New Certificates*).

4. STATUS AND LIMITED RECOURSE

(a) **Status**

Each Sukuk will represent an undivided beneficial ownership interest in the relevant Trust Assets (pursuant to the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust) and will be a limited recourse obligation of the Trustee. Each Sukuk will rank *pari passu*, without preference or priority, with all other Sukuk of the relevant Series issued under the Programme.

(b) **Limited Recourse**

The proceeds of the relevant Trust Assets are the sole source of payments on the Sukuk of each Series. The Sukuk do not represent an interest in or obligation of any of the Trustee, the Delegate, Axiata, any of the Agents or any of their respective affiliates. The net proceeds of the realisation of, or enforcement with respect to, the relevant Trust Assets may not be sufficient to make all payments due in respect of the Sukuk. If, following distribution of such proceeds, there remains a shortfall in payments due under the Sukuk, subject to Condition 16 (*Enforcement and Exercise of Rights*), Sukukholders acknowledge that, by subscribing for or acquiring Sukuk, they will not have any claim against the Trustee (and/or its directors, officers or shareholders), Axiata (to the extent that it fulfils all of its obligations under the Transaction Documents to which it is a party), the Delegate, the Agents or any of their respective affiliates, or against any of their respective assets (other than the relevant Trust Assets) in respect of such shortfall and any unsatisfied claims of Sukukholders shall be extinguished. In particular, no Sukukholder will be able to petition for, or join any other person in instituting proceedings for, the reorganisation, liquidation, winding up or receivership of the Trustee (and/or its directors), Axiata (to the extent that it fulfils all of its obligations under the Transaction Documents to which it is a party), the Delegate, the Agents or any of their respective affiliates as a consequence of such shortfall or otherwise.

Axiata is obliged to make payments under the relevant Transaction Documents to which it is a party directly to the Trustee, the Delegate (acting in the name and on behalf of the Trustee) and/or the Agents. The Delegate will, as delegate of the Trustee for the Sukukholders, have direct recourse against Axiata to recover payments due to the Trustee from Axiata pursuant to such Transaction Documents. Neither the Trustee nor the Delegate shall be liable for the late, partial or non-recovery of any such payments from Axiata save in the case of its wilful default, actual fraud or gross negligence.

(c) **Agreement of Sukukholders**

By subscribing for or acquiring Sukuk, each Sukukholder is deemed to have agreed that notwithstanding anything to the contrary contained in these Conditions or any Transaction Document:

- (i) no amount whatsoever shall be due or payable by any of the Trustee, the Delegate (acting in the name and on behalf of the Trustee) or any of their respective agents on their behalf except to the extent funds are available therefor from the relevant Trust Assets;
- (ii) no recourse shall be had for the payment of any amount owing hereunder or under any relevant Transaction Document, whether for the payment of any fee, indemnity or other amount hereunder or any other obligation or claim arising out of or based upon the Transaction Documents, against the Trustee (and/or its directors, officers,

administrators or shareholders), Axiata (to the extent that it fulfils all of its obligations under the Transaction Documents to which it is a party), the Delegate, any Agent or any of their respective agents or affiliates to the extent the relevant Trust Assets have been exhausted following which all obligations of the Trustee, the Delegate, Axiata, any Agents and their respective agents or affiliates shall be extinguished;

- (iii) prior to the date which is one year and one day after the date on which all amounts owing by the Trustee under the Transaction Documents to which it is a party have been paid in full, it will not institute against, or join with any other person in instituting against, the Trustee any bankruptcy, reorganisation, arrangement or liquidation proceedings or other proceedings under any bankruptcy or similar law;
- (iv) no recourse under any obligation, covenant or agreement contained in any Transaction Document shall be had against any shareholder, member, officer, agent or director of the Trustee, by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise. The obligations of the Trustee under the Transaction Documents to which it is a party are corporate or limited liability obligations of the Trustee and no personal liability shall attach to or be incurred by the shareholders, members, officers, agents or directors of the Trustee save in the case of their wilful default or actual fraud. Reference in these Conditions to wilful default or actual fraud means a finding to such effect by a court of competent jurisdiction in relation to the conduct of the relevant party; and
- (v) it shall not be entitled to claim or exercise any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Sukuk. No collateral is or will be given for the payment obligations under the Sukuk.

5. NEGATIVE PLEDGE; CONSOLIDATION, MERGER AND SALE OF ASSETS

(a) Negative Pledge

So long as any of the Sukuk remains outstanding, Axiata will ensure that no Relevant Indebtedness or Relevant Sukuk Obligation of Axiata or any of its Principal Subsidiaries (as defined below) will be secured by any mortgage, charge, lien, pledge or other security interest (each a “**Security Interest**”) upon, or with respect to, any of the present or future business, undertaking, assets or revenues (including any uncalled capital) of Axiata or any of its Principal Subsidiaries unless Axiata, in the case of the creation of the Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

- (i) all amounts payable by it under the Transaction Documents are secured by the Security Interest equally and rateably with the Relevant Indebtedness or Relevant Sukuk Obligation; or
- (ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as is approved by an Extraordinary Resolution of the Sukukholders,

provided that the restrictions set out in this Condition 5 (*Negative Pledge; Consolidation, Merger and Sale of Assets*) shall not apply to:

- (A) Security Interests upon, or with respect to, any of the present or future business, undertaking, assets or revenues (including any uncalled capital) of any person, entity or Subsidiary of Axiata existing at such time as such person, entity or Subsidiary becomes a Principal Subsidiary, **provided that** such Security Interests were not created in anticipation of such entity becoming a Principal Subsidiary; and
- (B) Security Interests securing indebtedness or relevant sukuk obligations or refunding indebtedness or relevant sukuk obligations (as the case may be) secured by any Security Interest referred to in sub-paragraph (A) above; **provided that** the principal amount of such indebtedness is not increased and the Security Interest is limited to the present or future business, undertaking, assets or revenues (including any uncalled capital) originally subject thereto or are of equal or lesser value.

(b) **Consolidation, Merger and Sale of Assets**

So long as any of the Sukuk remains outstanding, Axiata shall not consolidate with or merge into any other company or entity, and Axiata may not, directly or indirectly, sell, convey, transfer or lease all or substantially all of its properties and assets to any company or other entity (other than as permitted pursuant to the Transaction Documents) unless:

- (i) the company or other entity formed by or surviving such consolidation or merger or the person, company or other entity which acquires by conveyance or transfer, or which leases, all or substantially all of the properties and assets of Axiata shall be a corporation organised and existing under the laws of Malaysia, and shall expressly assume all of the obligations of Axiata under the Transaction Documents; and
- (ii) immediately after giving effect to such transaction, no Dissolution Event or Potential Dissolution Event shall have happened and be continuing.

In this Condition 5 (*Negative Pledge; Consolidation, Merger and Sale of Assets*),

“**Attributable Debt**” means, with respect to any Sale/Leaseback Transaction, the lesser of (x) the fair market value of the property or other assets subject to such transaction and (y) the present value (discounted at a rate of a capital lease obligation with a like term in accordance with generally accepted accounting principles in Malaysia) of the obligations of the lessee for net rental payments (excluding amounts on account of maintenance and repairs, insurance, taxes, assessments, water rates and similar charges and contingent rents) during the remaining term of the lease;

“**Deferred Purchase Debt**” means the deferred and unpaid amount of the purchase price of any property or services purchased by Axiata or any Principal Subsidiary where such deferred and unpaid amount is due more than six months after the date on which (x) such property is purchased or (y) the provision of such services is completed but shall not include any deferred and unpaid amount incurred in the ordinary course of business and in connection with the telecommunications network operations of Axiata or any of its Principal Subsidiaries;

“Principal Subsidiary” means at any time a Subsidiary of Axiata:

- (i) whose gross operating revenues (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose current assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent in each case (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated accounts of Axiata and its Subsidiaries relate, are equal to) not less than 10 per cent. of the consolidated gross operating revenues of Axiata, or, as the case may be, consolidated current assets, of Axiata and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited consolidated accounts of Axiata and its Subsidiaries, **provided that** in the case of a Subsidiary of Axiata acquired after the end of the financial period to which the then latest audited consolidated accounts of Axiata and its Subsidiaries relate, the reference to the then latest audited consolidated accounts of Axiata and its Subsidiaries for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by Axiata;
- (ii) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of Axiata which immediately prior to such transfer is a Principal Subsidiary, **provided that** the transferor Subsidiary shall upon such transfer forthwith cease to be a Principal Subsidiary and the transferee Subsidiary shall cease to be a Principal Subsidiary pursuant to this subparagraph (ii) on the date on which the consolidated accounts of Axiata and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor Subsidiary or such transferee Subsidiary may be a Principal Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (i) above or, prior to or after such date, by virtue of any other applicable provision of this definition; or
- (iii) to which is transferred an undertaking or assets which, taken together with the undertaking or assets of the transferee Subsidiary, generated (or, in the case of the transferee Subsidiary being acquired after the end of the financial period to which the then latest audited consolidated accounts of Axiata and its Subsidiaries relate, generate gross operating revenues equal to) not less than 10 per cent. of the consolidated gross operating revenues of Axiata, or represent (or, in the case aforesaid, are equal to) not less than 10 per cent. of the consolidated current assets of Axiata and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph (i) above, **provided that** the transferor Subsidiary (if a Principal Subsidiary) shall upon such transfer forthwith cease to be a Principal Subsidiary unless immediately following such transfer its undertaking and assets generate (or, in the case aforesaid, generate gross operating revenues equal to) not less than 10 per cent. of the consolidated gross operating revenues of Axiata, or its assets represent (or, in the case aforesaid, are equal to) not less than 10 per cent. of the consolidated current assets of Axiata and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph (i) above, and the transferee Subsidiary shall cease to be a Principal Subsidiary pursuant to this subparagraph (iii) on the date on which the consolidated accounts of Axiata and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited but so that such transferor

Subsidiary or such transferee Subsidiary may be a Principal Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (i) above or, prior to or after such date, by virtue of any other applicable provision of this definition,

For this purpose, an opinion by auditors of Axiata (being qualified auditors of recognised standing) on a calculation to show whether or not a Subsidiary is a Principal Subsidiary shall be conclusive and binding on all parties in the absence of manifest or proven error.

“Relevant Indebtedness” means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which are for the time being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, (ii) any Attributable Debt, (iii) any Deferred Purchase Debt and (iv) any guarantee or indemnity of any indebtedness referred to in items (i), (ii) and (iii) of this definition, but shall not include any indebtedness, Attributable Debt, Deferred Purchase Debt or guarantee or indemnity, as described in items (i), (ii), (iii) or (iv) which (A) if denominated or payable in Malaysian Ringgit, less than 50 per cent. of the aggregate principal amount of which is initially distributed outside Malaysia (including the Federal Territory of Labuan, Malaysia) by or with the authorisation of the issuer or trustee thereof; or (B) if issued by PT XL Axiata Tbk, is denominated in Indonesian Rupiah;

“Relevant Sukuk Obligation” means any Sukuk Obligation, which is for the time being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market or any indemnity or guarantee of such Sukuk Obligation, but shall not include any Sukuk Obligation which relates to sukuk which (A) if denominated or payable in Malaysian Ringgit, less than 50 per cent. of the aggregate principal amount of which is initially distributed outside Malaysia (including the Federal Territory of Labuan, Malaysia) by or with the authorisation of the issuer or trustee thereof; or (B) if issued by PT XL Axiata Tbk, is denominated in Indonesian Rupiah;

“Sale/Leaseback Transaction” means any arrangement with any person that provides for the leasing by Axiata or any Principal Subsidiary of any property or asset of Axiata or any Principal Subsidiary, whether now owned or hereafter acquired, which is sold or transferred by Axiata or a Principal Subsidiary (as the case may be) after the Issue Date to such person for a sale price of U.S.\$1,000,000 (or the equivalent thereof) or more, **provided that** any arrangement pursuant to which Axiata or any Principal Subsidiary (as the case may be) has defeased or otherwise transferred its rental or other payment obligations to a third party which is not controlled by the party effecting such defeasance or transfer, who may not assign or transfer any such obligations to Axiata or any other Subsidiary of Axiata, and, as a result of such defeasance or transfer, Axiata or any Principal Subsidiary (as the case may be) has been unconditionally and irrevocably released from any further obligations to any party in connection with such arrangement, shall not be a Sale/Leaseback Transaction;

“Subsidiary” means, in relation to Axiata, any company (i) in which Axiata controls the composition of the board of directors or (ii) of which Axiata controls more than half of the voting power or (iii) of which Axiata holds more than half of the issued share capital, and includes any company which is a Subsidiary of a Subsidiary of Axiata and a Subsidiary which falls within the meaning of Section 5 of the Companies Act, 1965 of Malaysia; and

“Sukuk Obligation” means any undertaking or other obligation to pay any money given in connection with the issue of trust certificates or other instruments intended to be issued in compliance with the principles of *Shari’a*, whether or not in return for consideration of any kind.

6. TRUST

(a) Summary of the Trust

Pursuant to the Master Declaration of Trust (and together with the relevant Supplemental Declaration of Trust, the “**Declaration of Trust**”) entered into between the Trustee and the Delegate, in respect of each Series, the Trustee agrees to hold the Trust Assets upon trust absolutely for the Sukukholders as beneficiaries in accordance with the provisions of the Declaration of Trust.

Under the Master Wakala Agreement, the Trustee will appoint Axiata as the Trustee’s agent (in such capacity, the “**Wakeel**”) to perform certain Wakala Services in respect of any Airtime Vouchers, any Lease Assets and any Shares forming part of the Trust Assets for such Series. In addition, the Trustee may also appoint the Wakeel to, and in such circumstances the Wakeel will undertake to, purchase, either itself or through the Transaction Agent, for and on behalf of the Trustee, Commodities from certain suppliers which the Trustee (in its capacity as seller) will subsequently sell to Axiata (as purchaser) pursuant to the Master Murabaha Agreement and a relevant Murabaha Contract in consideration for the payment of the Deferred Payment Price on the relevant Dissolution Date.

Each Series must contain either Airtime Vouchers and/or Lease Assets and may also contain Shares and, where a Series involves the purchase of Commodities, the Purchase Price of the relevant Commodities to be purchased will be no greater than 48 per cent. of the relevant issuance proceeds. Where a Series also contains Shares, the aggregate value of the Shares on the Issue Date shall be no more than 50 per cent. of the aggregate value of such Shares together with any Lease Assets and Airtime Vouchers on such Issue Date.

Pursuant to the Master Airtime Purchase Agreement and any relevant Supplemental Airtime Purchase Agreement, Axiata (in its capacity as seller) may sell and transfer to the Trustee (as purchaser) Airtime Vouchers from time to time. As part of the Wakala Services, Axiata (in its capacity as Wakeel) will distribute the Airtime Vouchers on behalf of the Trustee pursuant to the terms of the Wakala Agreement and the relevant Distribution Notice.

Pursuant to the Master Share Purchase Agreement and any relevant Supplemental Share Purchase Agreement, Axiata (in its capacity as seller) may sell and transfer to the Trustee (in its capacity as purchaser) the Shares.

Pursuant to the Master Headlease Agreement and any relevant Supplemental Headlease Agreement, Axiata (in its capacity as lessor) may lease to the Trustee (as lessee) the Lease Assets. Pursuant to the Master Sub-Lease Agreement and any relevant Supplemental Sub-Lease Agreement, the Trustee (in its capacity as lessor) will sub-lease the relevant Lease Assets, to Axiata (as in its capacity as Lessee) as such assets may be repaired, refurbished, upgraded or replaced as a result of any major maintenance and structural repair and/or any ordinary maintenance and repair or any substitution in accordance with the Substitution Undertaking, in each case, from time to time.

Axiata will execute the Purchase Undertaking in favour of the Trustee and the Delegate pursuant to which Axiata undertakes, where there has not been a Revocation Event or a Total Loss Termination Event to purchase all of the Trustee’s interests, rights, benefits and entitlements in and to the relevant Wakala Assets at the Sukuk Exercise Price specified in an Exercise Notice delivered to it.

Pursuant to the Purchase Undertaking, where: (i) there has been a Total Loss Termination Event, or (ii) there has been a Revocation Event, Axiata undertakes, following receipt of an Exercise Notice from the Trustee (or an agent on behalf of the Trustee), to purchase all of the Trustee's interests, rights, benefits and entitlements in and to any Residual Assets at the Residual Assets Exercise Price specified in the Exercise Notice.

If, following the receipt of an Exercise Notice pursuant to the Purchase Undertaking, Axiata fails to pay all or part of the Sukuk Exercise Price or, where such Series includes the purchase of commodities, any Deferred Payment Price, Murabaha Indemnity Amount or Wakala Indemnity Amount (as applicable) payable in accordance with the Murabaha Agreement or, as the case may be, the Wakala Agreement on the due date for payment thereof, (i) where Lease Assets form part of the Trust Assets, the Master Sub-Lease Agreement and any relevant Supplemental Sub-Lease Agreement shall be deemed to be extended, (ii) where Lease Assets form part of the Trust Assets, Axiata shall continue to lease the Lease Assets from the Trustee and continue to act as Wakeel in respect of the Lease Assets, and (iii) where Airtime Vouchers form part of the Trust Assets, Axiata shall continue to act as Wakeel in respect of the ongoing distribution of the Airtime Vouchers, for a period from and including the date on which the amount was due to but excluding the date on which such amount is paid in full or there are no more Axiata Vouchers remaining for distribution and sale.

Where any Series comprises Lease Assets, upon the occurrence of a Total Loss Event, (i) the Lease shall automatically terminate and the Trustee (as lessor) will be entitled (in addition to any amounts payable pursuant to the Wakala Agreement, without double-counting) to any due and unpaid Rental up to the date on which the Total Loss Event occurred. Where a Total Loss Termination Event has occurred the Sukuk of such Series will be redeemed and the Trust will be dissolved by the Trustee on the date specified in Condition 11(e) (*Capital Distributions of the Trust — Dissolution following a Total Loss Event*). The Sukuk will be redeemed in accordance with the order of priority set out in Condition 6(d) (*Trust — Application of Proceeds from Trust Assets*) using the Takaful/Insurance Proceeds payable in respect of the Total Loss Termination Event which are required to be paid into the Transaction Account by no later than close of business in Malaysia on the 45th day after the occurrence of the Total Loss Event and any Total Loss Shortfall Amount. If a Total Loss Termination Event occurs as above and an amount (if any) less than the Takaful/Insurance Coverage Amount is credited to the Transaction Account (the difference between the Takaful/Insurance Coverage Amount and the amount credited to the relevant Transaction Account being the “**Total Loss Shortfall Amount**”), then the Wakeel will pay the Total Loss Shortfall Amount directly into the Transaction Account as soon as practicable and in any event by no later than the close of business in Malaysia on the 46th day after the Total Loss Event has occurred. None of the Delegate or Agents is under a duty or obligation to determine or calculate the Total Loss Shortfall Amount or the Takaful/Insurance Coverage Amount.

Where any Series comprises Airtime Vouchers, following the occurrence of a Revocation Event, the Sukuk of such Series will be redeemed and the Trust will be dissolved by the Trustee on the date specified in Condition 11(f) (*Capital Distributions of the Trust — Dissolution following a Revocation Event*). The Sukuk will be redeemed in accordance with the order of priority set out in Condition 6(d) (*Trust — Application of Proceeds from Trust Assets*).

If the Change of Control Exercise Option is specified in the applicable Pricing Supplement as being applicable, the Trustee may, in accordance with Condition 14(c) (*Purchase and Cancellation of Sukuk — Redemption at the Option of the Sukukholders (Change of Control Exercise Option)*), upon the occurrence of a Change of Control Triggering Event, give

notice of such event to the Sukukholders. In the event that Sukukholders holding Sukuk of the relevant Series elect within the Change of Control Exercise Period to redeem their Sukuk, in accordance with Condition 14(c) (*Purchase and Cancellation of Sukuk — Redemption at the Option of the Sukukholders (Change of Control Exercise Option)*), following the receipt of a Change of Control Confirmation Notice, pursuant to the Change of Control Undertaking, the Trustee (or the Principal Paying Agent on its behalf) shall serve a Change of Control Purchase Notice on Axiata and require Axiata, on the seventh day after the last day of the Change of Control Exercise Period to purchase from the relevant Sukukholders the relevant Change of Control Sukuk at the relevant Change of Control Amount.

If Axiata wishes to cancel any Sukuk purchased by it and/or any Subsidiary or any Change of Control Sukuk purchased from any Sukukholders, Axiata may, in accordance with the terms of the Redemption Undertaking, deliver a Cancellation Notice to the Trustee and require the Trustee to purchase and cancel any Cancellation Sukuk or Change of Control Sukuk (as applicable) surrendered to it by Axiata in consideration for payment of the relevant Cancellation Amount, which may be off-set against any amounts due and payable by Axiata under any of the Transaction Documents. In the event that Axiata wishes to cancel any Sukuk purchased by a Subsidiary from any Sukukholders, it shall first purchase such Sukuk from the relevant Subsidiary and subsequently exercise its rights under the Redemption Undertaking.

The Trustee will execute the Substitution Undertaking in favour of Axiata, pursuant to which Axiata has the right to require the Trustee to sell, transfer and convey on any Substitution Date assets forming part of the Trust Assets in consideration for new substituted assets from time to time in accordance with the provisions of the Substitution Undertaking.

Under the Wakala Agreement, Axiata shall be entitled to substitute at any time and at its own discretion any Shares with replacement shares, **provided that** the replacement shares are in companies that comply with certain eligibility criteria and the value of such replacement shares when aggregated with the value of the remaining Shares is not less than the Share Value and subject generally to the applicable provisions of the Wakala Agreement.

(b) **Trust Assets**

Unless otherwise specified in the relevant Supplemental Declaration of Trust and the applicable Pricing Supplement, the Trust Assets will comprise:

- (i) all of the Trustee's rights, title, interest and benefit, present and future, in, to and under the relevant Sukuk Assets;
- (ii) the right, title, interest and benefit, present and future, of the Trustee in, to and under the Transaction Documents (excluding: (i) any representations given by Axiata to the Trustee and the Delegate pursuant to any of the Transaction Documents; and (ii) the covenant given to the Trustee pursuant to clause 17.1 of the Master Declaration of Trust);
- (iii) all monies standing to the credit of the relevant Transaction Account (as defined in Condition 6(c) (*Trust — Operation of Transaction Account*)); and

- (iv) any other assets, rights, cash or investments as may be specified in the applicable Pricing Supplement,

and all proceeds of the foregoing upon trust absolutely for the Sukukholders *pro rata* according to the face amount of Sukuk held by each holder for the relevant Series.

Pursuant to the Master Declaration of Trust, as supplemented by any relevant Supplemental Declaration of Trust, the Trustee holds the Trust Assets for each Series for and on behalf of the holders of the Sukuk of such Series.

(c) **Operation of Transaction Account**

In relation to each Series, the Trustee will establish a non-interest bearing transaction account (the “**Transaction Account**”) with the Principal Paying Agent into which, among other things: (i) amounts to be paid by Axiata to the Trustee under the Transaction Documents will be deposited; and (ii) the Delegate will deposit all the proceeds of any action to enforce or realise the relevant Trust Assets taken in accordance with Condition 16 (*Enforcement and Exercise of Rights*).

(d) **Application of Proceeds from Trust Assets**

On each Periodic Distribution Date, any Dissolution Date or on any earlier date specified for the dissolution of the Trust for each Series, the relevant Paying Agent will apply the monies standing to the credit of the Transaction Account in the following order of priority:

- (i) *first*, (to the extent not previously paid) to pay the Delegate all amounts owing to it under, or which it is entitled to receive pursuant to, the Transaction Documents in its capacity as Delegate in accordance with the terms of the Master Declaration of Trust and to any receiver, manager or administrative receiver or any other analogous officer and any agent appointed in respect of the Trust by the Delegate in accordance with the Master Declaration of Trust as supplemented by any relevant Supplemental Declaration of Trust;
- (ii) *second*, (to the extent not previously paid) to pay *pro rata* and *pari passu*: (i) the Trustee in respect of all amounts properly incurred and documented (each in the reasonable opinion of the Delegate) owing to it under the Transaction Documents in its capacity as Trustee; and (ii) each Agent in respect of all amounts owing to such Agent on account of its fees, costs, charges and expenses and the payment or satisfaction of any liability properly incurred by such Agent pursuant to the Agency Agreement or the other Transaction Documents in its capacity as Agent;
- (iii) *third*, to the Principal Paying Agent for application in or towards payment *pari passu* and rateably of all Periodic Distribution Amounts due and unpaid;
- (iv) *fourth*, only if such payment is made on a Dissolution Date, to the Principal Paying Agent for application in or towards payment *pari passu* and rateably of the Dissolution Amount; and
- (v) *fifth*, only if such payment is made on a Dissolution Date, payment of any residual amount to the Wakeel as an incentive amount for its performance.

7. COVENANTS

The Trustee covenants that, among other things, for so long as any Sukuk is outstanding (as defined in the Master Declaration of Trust), it shall not:

- (i) incur any indebtedness in respect of borrowed money whatsoever, or give any guarantee or indemnity in respect of any obligation of any person or issue any shares (or rights, warrants or options in respect of shares or securities convertible into or exchangeable for shares) except, in all cases, as contemplated in the Transaction Documents;
- (ii) create any Security Interest in respect of its present or future indebtedness for borrowed money or in respect of any of its present or future assets, properties or revenues (other than those arising by operation of law (if any) (other than under or pursuant to any of the Transaction Documents));
- (iii) sell, lease, transfer, assign, participate, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (by Security Interest (statutory or otherwise), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise) (or permit such to occur or suffer such to exist), any part of its interests in any of the Trust Assets except pursuant to any of the Transaction Documents;
- (iv) subject to Condition 19 (*Meetings of Sukukholders, Modification, Waiver, Authorisation and Determination*), amend or agree to any amendment of any Transaction Document to which it is a party (other than in accordance with the terms thereof) or its constitutional documents;
- (v) except as provided in the Master Declaration of Trust as supplemented by any relevant Supplemental Declaration of Trust, act as trustee in respect of any trust other than the Trust or in respect of any parties other than the Sukukholders;
- (vi) have any subsidiaries or employees save and except as required or incidental to the issuance of the Sukuk;
- (vii) redeem any of its shares or pay any dividend or make any other distribution to its shareholders;
- (viii) use the proceeds of the issue of the Sukuk for any purpose other than as stated in the Transaction Documents;
- (ix) prior to the date which is one year and one day after the date on which all amounts owing by the Trustee under the Transaction Documents to which it is a party have been paid in full, put to its directors or shareholders any resolution for, or appoint any liquidator for, its winding up or any resolution for the commencement of any other bankruptcy or insolvency proceeding with respect to it; or
- (x) enter into any contract, transaction, amendment, obligation or liability other than the Transaction Documents to which it is a party or as expressly permitted or required thereunder or required by law or regulation or engage in any business or activity other than:
 - (A) as provided for or permitted in the Transaction Documents;

(B) the ownership, management and disposal of the Trust Assets as provided in the Transaction Documents; and

(C) such other matters which are incidental thereto.

8. FIXED PERIODIC DISTRIBUTION PROVISIONS

(a) Application

This Condition 8 (*Fixed Periodic Distribution Provisions*) is applicable to the Sukuk only if the fixed periodic distribution provisions set out in this Condition 8 (*Fixed Periodic Distribution Provisions*) (the “**Fixed Periodic Distribution Provisions**”) are specified in the applicable Pricing Supplement as being applicable.

(b) Periodic Distribution Amount

A “**Periodic Distribution Amount**” representing a defined share of the profit in respect of the relevant Sukuk Assets will be payable in respect of the relevant Sukuk and be distributable by the Trustee to the Sukukholders in accordance with these Conditions.

(c) Determination of Periodic Distribution Amount

Except as provided in the applicable Pricing Supplement, the Periodic Distribution Amount payable in respect of each Sukuk for any Return Accumulation Period shall be the Fixed Amount and, if the Sukuk are in more than one Specified Denomination, shall be the Fixed Amount as specified in the applicable Pricing Supplement in respect of the relevant Specified Denomination. Payments of Periodic Distribution Amounts on any Periodic Distribution Date as specified in the applicable Pricing Supplement may, if so specified in the applicable Pricing Supplement, amount to the Broken Amount as specified in the applicable Pricing Supplement.

If any Periodic Distribution Amount is required to be calculated for a period other than a Return Accumulation Period or if no relevant Fixed Amount or Broken Amount is specified in the applicable Pricing Supplement, such Periodic Distribution Amount shall be calculated by applying the Rate to the Calculation Amount, multiplying the product by the applicable Day Count Fraction, and rounding the resulting figure to the nearest sub-unit of the relevant Specified Currency (half of any such sub-unit being rounded upwards) and multiplying such rounded figure by a figure equal to the Specified Denomination of the relevant Sukuk divided by the Calculation Amount.

“**Day Count Fraction**” means, in respect of the calculation of a Periodic Distribution Amount in accordance with this Condition 8(c) (*Fixed Periodic Distribution Provisions — Determination of Periodic Distribution Amount*):

(i) if “**Actual/Actual (ICMA)**” is specified in the applicable Pricing Supplement:

(A) where the Determination Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Determination Period divided by the product of: (1) the actual number of days in such Regular Period; and (2) the number of Regular Periods in any year; and

(B) where the Determination Period is longer than one Regular Period, the sum of:

- (1) the actual number of days in such Determination Period falling in the Regular Period in which it begins divided by the product of: (i) the actual number of days in such Regular Period; and (ii) the number of Regular Periods in any year; and
 - (2) the actual number of days in such Determination Period falling in the next Regular Period divided by the product of: (i) the actual number of days in such Regular Period; and (ii) the number of Regular Periods in any year;
- (ii) if “**Actual/365(Fixed)**”, “**Act/365 (Fixed)**”, “**A/365 (Fixed)**” or “**A/365F**” is specified in the applicable Pricing Supplement, the actual number of days in the Determination Period in respect of which payment is being made divided by 365;
- (iii) if “**30/360**” is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Periodic Distribution Date (or, if none, the Issue Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

(d) **Payment in Arrear**

Subject to Condition 8(e) (*Fixed Periodic Distribution Provisions — Cessation of Profit Entitlement*), Condition 11(b) (*Capital Distributions of the Trust — Early Dissolution for Tax Reasons*), Condition 11(c) (*Capital Distributions of the Trust — Dissolution at the Option of Axiata*), Condition 11(e) (*Capital Distributions of the Trust — Dissolution following a Total Loss Termination Event*), Condition 11(f) (*Capital Distributions of the Trust — Dissolution following a Revocation Event*) and Condition 15 (*Dissolution Events*) below, and unless otherwise specified in the applicable Pricing Supplement, each Periodic Distribution Amount will be paid in respect of the relevant Sukuk in arrear on each Periodic Distribution Date specified in the applicable Pricing Supplement.

(e) **Cessation of Profit Entitlement**

Provided that, upon due presentation, payment is not improperly withheld or refused, no further amounts will be payable on any Sukuk from and including the relevant Dissolution Date.

In the event that, upon due presentation, the amount to be paid on the relevant Dissolution Date is improperly withheld or refused, to the extent applicable, in accordance with the terms of the Purchase Undertaking:

- (a) where Lease Assets form part of the Trust Assets, the Master Sub-Lease Agreement and any relevant Supplemental Sub-Lease Agreement shall be deemed to be extended;
- (b) where Lease Assets form part of the Trust Assets, Axiata shall continue to lease the Lease Assets from the Trustee (as Lessor) and continue to act as Wakeel in respect of the Lease Assets; and/or
- (c) where Airtime Vouchers form part of the Trust Assets, Axiata shall continue to act as a Wakeel in respect of the Airtime Vouchers and the Distribution Term, as specified in the relevant Supplemental Distribution Notice, shall be deemed to be extended,

for a period from and including the date on which the amount was due, to but excluding the date on which such amount is paid in full.

Sukukholders shall be entitled to payment of a defined share in the amounts received from the continuation of the lease of the Lease Assets and/or the continuation of the sale and purchase of the Airtime Vouchers (such received amount to be the “**Additional Dissolution Distribution Amount**”) and the Additional Dissolution Distribution Amount shall be distributed by the Trustee to the Sukukholders in accordance with these Conditions.

Sukukholders hereby waive the right to receive any interest awarded by a court or regulatory authority under the terms of any judgment but, for the avoidance of doubt, such waiver shall not include a waiver of any right to receive the Additional Dissolution Distribution Amount nor shall it constitute a waiver by the Trustee of any right to receive payment of the rental received from the continuation of lease of the Lease Assets or the amounts received from the continuation of the sale and purchase of the Airtime Vouchers.

9. FLOATING PERIODIC DISTRIBUTION PROVISIONS

(a) Application

This Condition 9 (*Floating Periodic Distribution Provisions*) is applicable to the Sukuk only if the floating periodic distribution provisions set out in this Condition 9 (*Floating Periodic Distribution Provisions*) (the “**Floating Periodic Distribution Provisions**”) are specified in the applicable Pricing Supplement as being applicable.

(b) Periodic Distribution Amount

A “**Periodic Distribution Amount**” representing a defined share of the profit in respect of the relevant Sukuk Assets will be payable in respect of the relevant Sukuk and be distributable by the Trustee to the Sukukholders in accordance with these Conditions. Such Periodic Distribution Amounts will be payable in arrear on either:

- (i) the Specified Periodic Distribution Date(s) in each year specified in the applicable Pricing Supplement; or
- (ii) if no Specified Periodic Distribution Date(s) is/are specified in the applicable Pricing Supplement, each date (each such date, together with each Specified Periodic Distribution Date, a “**Periodic Distribution Date**”) which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Periodic Distribution Date or, in the case of the First Periodic Distribution Date, after the Issue Date.

Such Periodic Distribution Amounts will be payable in respect of each Return Accumulation Period.

If a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month in which a Periodic Distribution Date should occur, or (y) if any Periodic Distribution Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (i) in any case where Specified Periods are specified in accordance with Condition 9(b)(ii) (*Floating Periodic Distribution Provisions — Periodic Distribution Amount*) above, the Floating Rate Convention, such Periodic Distribution Date: (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis*; or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event: (i) such Periodic Distribution Date

shall be brought forward to the immediately preceding Business Day; and (ii) each subsequent Periodic Distribution Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Periodic Distribution Date occurred; or

- (ii) the Following Business Day Convention, such Periodic Distribution Date shall be postponed to the next day which is a Business Day; or
- (iii) the Modified Following Business Day Convention, such Periodic Distribution Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Periodic Distribution Date shall be brought forward to the immediately preceding Business Day; or
- (iv) the Preceding Business Day Convention, such Periodic Distribution Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, “**Business Day**” means:

- (i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre;
- (ii) in relation to any sum payable in a currency other than euro and Renminbi, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant Specified Currency and in each (if any) Additional Business Centre; and
- (iii) in relation to any sum payable in Renminbi, a day on which commercial banks and foreign exchange markets settle payments in Hong Kong and in each (if any) Additional Business Centre.

(c) **Screen Rate Determination**

If Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate(s) is/are to be determined, the Rate applicable to the Sukuk for each Return Accumulation Period will be determined by the Calculation Agent on the following basis:

- (i) if the Reference Rate specified in the applicable Pricing Supplement is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Periodic Distribution Determination Date;
- (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Periodic Distribution Determination Date;
- (iii) if, in the case of (a) above, such rate does not appear on that page or, in the case of (b) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
 - (A) request each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Periodic Distribution Determination Date to prime banks in, if the Reference Rate is LIBOR, the London inter-bank

market or if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR, the Hong Kong inter-bank market, as the case may be, in an amount that is representative for a single transaction in that market at that time; and

(B) determine the arithmetic mean of such quotations; and

- (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the principal financial centre of the country of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the principal financial centre of the country of the Specified Currency) on the first day of the relevant Return Accumulation Period for loans in the Specified Currency to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR, the Hong Kong inter-bank market, as the case may be, for a period equal to the relevant Return Accumulation Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate for such Return Accumulation Period shall be the sum of the Margin as specified in the applicable Pricing Supplement and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Return Accumulation Period, the Rate applicable to the Sukuk during such Return Accumulation Period will be the sum of the Margin and the Rate or (as the case may be) the arithmetic mean last determined in relation to the Sukuk in respect of a preceding Return Accumulation Period.

(d) **Cessation of Profit Entitlement**

Provided that, upon due presentation, payment is not improperly withheld or refused, no further amounts will be payable on any Sukuk from and including the relevant Dissolution Date.

In the event that, upon due presentation, the amount to be paid on the relevant Dissolution Date is improperly withheld or refused, to the extent applicable, in accordance with the terms of the Purchase Undertaking:

- (a) where Lease Assets form part of the Trust Assets, the Master Sub-Lease Agreement and any relevant Supplemental Sub-Lease Agreement shall be deemed to be extended;
- (b) where Lease Assets form part of the Trust Assets, Axiata shall continue to lease the Lease Assets from the Trustee (as Lessor) and continue to act as Wakeel in respect of the Lease Assets; and/or
- (c) where Airtime Vouchers form part of the Trust Assets, Axiata shall continue to act as a Wakeel in respect of the Airtime Vouchers and the Distribution Term, as specified in the relevant Supplemental Distribution Notice, shall be deemed to be extended,

for a period from and including the date on which the amount was due, to but excluding the date on which such amount is paid in full.

Sukukholders shall be entitled to payment of a defined share in the amounts received from the continuation of the lease of the Lease Assets and/or the continuation of the sale and purchase of the Airtime Vouchers (such received amount to be the “**Additional Dissolution Distribution Amount**”) and the Additional Dissolution Distribution Amount shall be distributed by the Trustee to the Sukukholders in accordance with these Conditions.

Sukukholders hereby waive the right to receive any interest awarded by a court or regulatory authority under the terms of any judgment but, for the avoidance of doubt, such waiver shall not include a waiver of any right to receive the Additional Dissolution Distribution Amount nor shall it constitute a waiver by the Trustee of any right to receive payment of the rental received from the continuation of lease of the Lease Assets or the amounts received from the continuation of the sale and purchase of the Airtime Vouchers.

(e) **Calculation of Periodic Distribution Amount**

The Calculation Agent will, as soon as practicable after the time at which the Rate is to be determined in relation to each Return Accumulation Period, calculate the Periodic Distribution Amount payable in respect of each Sukuk for such Return Accumulation Period. The Periodic Distribution Amount will be calculated by applying the Rate applicable to the relevant Return Accumulation Period (i) to the face amount (in the case of a Sukuk in global form) or (ii) to the Calculation Amount (in the case of a Sukuk in individual registered form), multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a figure equal to the Specified Denomination of the relevant Sukuk divided by the Calculation Amount. For this purpose a “**sub-unit**” means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.

“**Day Count Fraction**” means, in respect of the calculation of a Periodic Distribution Amount in accordance with this Condition 9(e) (*Floating Periodic Distribution Provisions — Calculation of Periodic Distribution Amount*):

- (i) if “**Actual/Actual**”, “**Actual/Actual (ISDA)**”, “**Act/Act**” or “**Act/Act (ISDA)**” is specified in the applicable Pricing Supplement, the actual number of days in the Return Accumulation Period divided by 365 (or, if any portion of that Return Accumulation Period falls in a leap year, the sum of (a) the actual number of days in that portion of the Return Accumulation Period falling in a leap year divided by 366 and (b) the actual number of days in that portion of the Return Accumulation Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/Actual (ICMA)**” or “**Act/Act (ICMA)**” is specified:
 - (A) where the Determination Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Determination Period divided by the product of: (1) the actual number of days in such Regular Period; and (2) the number of Regular Periods in any year; and
 - (B) where the Determination Period is longer than one Regular Period, the sum of:
 - (1) the actual number of days in such Determination Period falling in the Regular Period in which it begins divided by the product of: (i) the actual number of days in such Regular Period; and (ii) the number of Regular Periods in any year; and

- (2) the actual number of days in such Determination Period falling in the next Regular Period divided by the product: of (i) the actual number of days in such Regular Period; and (ii) the number of Regular Periods in any year;
- (iii) if “**Actual/365(Fixed)**”, “**Act/365 (Fixed)**”, “**A/365 (Fixed)**” or “**A/365F**” is specified in the applicable Pricing Supplement, the actual number of days in the Return Accumulation Period in respect of which payment is being made divided by 365;
- (iv) if “**Actual/360**”, “**Act/360**” or “**A/360**” is specified, the actual number of days in the Return Accumulation Period in respect of which payment is being made divided by 360;
- (v) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the applicable Pricing Supplement, the number of days in the Return Accumulation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Return Accumulation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Return Accumulation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Return Accumulation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Return Accumulation Period falls;

“**D₁**” is the first calendar day of the Return Accumulation Period, expressed as a number, unless such number would be 31, in which case **D₁** will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Return Accumulation Period, unless such number would be 31 and **D₁** is greater than 29, in which case **D₂** will be 30;

- (vi) if “**30E/360**” or “**Eurobond Basis**” is specified in the applicable Pricing Supplement, the number of days in the Return Accumulation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Return Accumulation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Return Accumulation Period falls;

“**M₁**” is the calendar month expressed as a number, in which the first day of the Return Accumulation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Return Accumulation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Return Accumulation Period, unless such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Return Accumulation Period, unless such number would be 31, in which case D₂ will be 30;

- (vii) if “**30E/360(ISDA)**” specified in the applicable Pricing Supplement, the number of days in the Return Accumulation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Return Accumulation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Return Accumulation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Return Accumulation Period falls;

“**M₂**” is the calendar month expressed as a number, in which the day immediately following the last day included in the Return Accumulation Period falls; and

“**D₁**” is the first calendar day of the Return Accumulation Period, expressed as a number, of the Return Accumulation Period unless (i) that day is the last day of February, or (ii) such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Return Accumulation Period, unless (i) that day is the last day of February but not the Scheduled Dissolution Date, or (ii) such number would be 31, in which case D₂ will be 30.

(f) **Calculation of Other Amounts**

If the applicable Pricing Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the applicable Pricing Supplement.

(g) **Publication**

The Calculation Agent will cause each Rate and Periodic Distribution Amount determined by it, together with the relevant Periodic Distribution Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each listing authority, stock exchange and/or quotation system (if any) by which the Sukuk have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate, Periodic Distribution Amount and Periodic Distribution Date) in any event not later than the first day of the relevant Return Accumulation Period. Notice thereof shall also promptly be given to the Sukukholders. The Calculation Agent will be entitled to recalculate any Periodic Distribution Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Return Accumulation Period. If the Calculation Amount is less than the minimum Specified Denomination, the Calculation Agent shall not be obliged to publish each Periodic Distribution Amount but instead may publish only the Calculation Amount and the Periodic Distribution Amount in respect of a Sukuk having the minimum Specified Denomination.

(h) **Notifications, etc. to be Final**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 9 (*Floating Periodic Distribution Provisions*) by the Calculation Agent will (in the absence of manifest error) be binding on the Trustee, the Delegate, Axiata, the Agents and all Sukukholders. In the absence of gross negligence, wilful default or fraud no liability to the Trustee, the Delegate, Axiata, any Agent or the Sukukholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition 9 (*Floating Periodic Distribution Provisions*).

10. PAYMENT

(a) **Payments in respect of Sukuk**

Subject to Condition 8(b) (*Fixed Periodic Distribution Provisions — Periodic Distribution Amount*) or Condition 9(b) (*Floating Periodic Distribution Provisions — Periodic Distribution Amount*) (as applicable), payment of each Periodic Distribution Amount and the relevant Dissolution Amount will be made by the relevant Paying Agent in the Specified Currency, by wire transfer in same day funds to the registered account of each Sukukholder. Payments of the Dissolution Amount will only be made against surrender of the relevant Certificate at the specified office of the relevant Paying Agent. The Dissolution Amount and each Periodic Distribution Amount will be paid to the holder shown on the Register at the close of business on the relevant Record Date.

For the purposes of these Conditions:

- (i) a Sukukholder's "**registered account**" means an account denominated in the Specified Currency maintained by or on behalf of it with a bank that processes payments in the Specified Currency, details of which appear on the Register at the close of business on the relevant Record Date;
- (ii) a Sukukholder's "**registered address**" means its address appearing on the Register at that time; and

(iii) “**Record Date**” means:

- (A) in the case of the payment of a Periodic Distribution Amount, the close of business on the day prior to the relevant Periodic Distribution Date; and
- (B) the case of the payment of a Dissolution Amount, the close of business on the day prior to the relevant Dissolution Date or other due date for payment of the relevant Dissolution Amount.

(b) **Payments subject to Applicable Laws**

Payments in respect of Sukuk are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of this Condition 10 (*Payment*).

(c) **Payment only on a Payment Business Day**

Payment instructions (for value the due date or, if that is not a Payment Business Day, for value the first following day which is a Payment Business Day) will be initiated by the relevant Paying Agent, on the due date for payment or, in the case of a payment of the Dissolution Amount, if later, on the Business Day on which the relevant Certificate is surrendered at the specified office of the relevant Paying Agent.

Sukukholders will not be entitled to any additional Periodic Distribution Amount, Dissolution Amount or other payment for any delay after the due date in receiving the amount due if the due date is not a Payment Business Day or, if the relevant Sukukholder is late in surrendering his Certificate (if required to do so).

If the Dissolution Amount or any Periodic Distribution Amount is not paid in full when due, the relevant Registrar will annotate the Register with a record of the amount actually paid.

(d) **Agents**

In acting under the Agency Agreement and in connection with the Sukuk, the Agents act solely as agents of the Trustee and (to the extent provided in the Master Declaration of Trust and the Agency Agreement) the Delegate and do not assume any obligations towards or relationship of agency or trust for or with any of the Sukukholders or any other party to the Transaction Documents.

The names of the initial Agents and their initial specified offices are set out in this Condition. The Trustee reserves the right at any time to vary or terminate the appointment of any Agent and/or to appoint additional or other Agents **provided that**: (a) it will at all times maintain a Principal Paying Agent and a Registrar (which may be the same entity); (b) so long as any Sukuk are admitted to listing, trading and/or quotation on any listing authority, stock exchange and/or quotation system, there will at all times be a Paying Agent and a Transfer Agent having its specified office in such place (if any) as may be required by the rules of such listing authority, stock exchange and/or quotation system; and (c) there will at all times be a Paying Agent (which may be the Principal Paying Agent) located in an EU Member State that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

Notice of any such change or any change of any Specified Office shall be given to the Trustee, the Delegate and the Sukukholders in accordance with the provisions of the Agency Agreement.

The name and specified office of the Principal Paying Agent, Calculation Agent and Transfer Agent:

The Hongkong and Shanghai Banking Corporation Limited

Level 30, HSBC Main Building, 1 Queen's Road, Central, Hong Kong

The name and specified office of the Registrar:

The Hongkong and Shanghai Banking Corporation Limited

Level 30, HSBC Main Building, 1 Queen's Road, Central, Hong Kong

11. CAPITAL DISTRIBUTIONS OF THE TRUST

(a) **Dissolution on the relevant Scheduled Dissolution Date**

Unless the Sukuk are previously redeemed or purchased and cancelled, the Trustee will redeem each Sukuk at the Dissolution Amount and the Trust will be dissolved by the Trustee on the relevant Scheduled Dissolution Date.

(b) **Early Dissolution for Tax Reasons**

If a Tax Event occurs, where "**Tax Event**" means:

- (i) (A) the Trustee has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the relevant Series; and (B) such obligation cannot be avoided by the Trustee taking reasonable measures available to it; or
- (ii) (A) the Trustee has received notice from Axiata that Axiata has or will become obliged to pay additional amounts pursuant to the terms of any of the Transaction Documents as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the relevant Series; and (B) such obligation cannot be avoided by taking reasonable measures available to it,

then, Axiata may exercise its option granted under, and in accordance with the Sale Undertaking and deliver an Exercise Notice to the Trustee specifying the due date for redemption of the Sukuk (in whole, but not in part):

- (1) at any time (if the Floating Periodic Distribution Provisions are not specified in the applicable Pricing Supplement as being applicable); or
- (2) on any Periodic Distribution Date (if the Floating Periodic Distribution Provisions are specified in the applicable Pricing Supplement as being applicable),

such notice to be delivered in the prescribed form set out in the Sale Undertaking and not less than 30 nor more than 60 days prior to the due date for redemption stated therein.

Following receipt by the Trustee of a duly completed Exercise Notice from Axiata under the Sale Undertaking, the Trustee shall, on giving not less than 30 nor more than 60 days' notice to the Sukukholders in accordance with Condition 18 (*Notices*) (which notice shall be irrevocable and shall oblige the Trustee to dissolve the Trust on the relevant Dissolution Date), dissolve the Trust and redeem (in whole, but not in part) the Sukuk at their Early Dissolution Amount (Tax), together with Periodic Distribution Amounts accrued (if any) to the Dissolution Date **provided, however, that** no such notice of dissolution shall be given to Sukukholders earlier than:

- (i) where the Sukuk may be redeemed at any time (if the Floating Periodic Distribution Provisions are not specified in the applicable Pricing Supplement as being applicable), 90 days prior to the earliest date on which the Trustee would be obliged to pay such additional amounts if a payment in respect of the Sukuk was then due or (in the case of (ii) above) Axiata would be obliged to pay such additional amounts if a payment to the Trustee under the relevant Transaction Document was then due; or
- (ii) where the Sukuk may be redeemed only on a Periodic Distribution Date (if the Floating Periodic Distribution Provisions are specified in the applicable Pricing Supplement as being applicable), 60 days prior to the Periodic Distribution Date occurring immediately before the earliest date on which the Trustee would be obliged to pay such additional amounts if a payment in respect of the Sukuk were then due or (in the case of (ii) above) Axiata would be obliged to pay such additional amounts if a payment to the Trustee under the relevant Transaction Document was then due.

Prior to the publication by or on behalf of the Trustee of any notice to Sukukholders pursuant to this Condition 11 (*Capital Distributions of the Trust*), it shall be sufficient, to establish that the conditions precedent set out in this Condition 11 (*Capital Distributions of the Trust*) to the right of the Trustee to dissolve the Trust have occurred, if Axiata shall deliver to the Trustee and the Delegate an opinion of independent legal advisers of recognised standing or accountant of recognised standing to the effect either that such circumstances do exist or that, upon a change in or amendment to the laws (including any regulations pursuant thereto), or in the interpretation or administration thereof, of any Relevant Jurisdiction, which at the date of such Sukuk is proposed and in the opinion of such legal adviser or accountant is reasonably expected to become effective on or prior to the date on which the relevant Periodic Distribution Amount or, as the case may be, Dissolution Amount in respect of the Sukuk would otherwise be made, becoming so effective, such circumstances would exist and the Trustee or the Delegate shall be entitled to accept such opinion as sufficient evidence of the satisfaction of the relevant conditions precedent in which event they shall be conclusive and binding on the Sukukholders.

Upon the expiry of any such notice to Sukukholders as is referred to above, the Trustee shall be bound to dissolve the Trust in accordance with this Condition 11 (*Capital Distributions of the Trust*). Upon such dissolution as aforesaid and the termination of the Trust, the Sukuk shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

(c) **Dissolution at the Option of Axiata**

If the Optional Dissolution Right (as set out in the applicable Pricing Supplement) is specified in such Pricing Supplement as being applicable, Axiata shall exercise its option granted under and in accordance with the Sale Undertaking and deliver an Exercise Notice to the Trustee specifying the due date for redemption of the Sukuk (in whole, but not in

part) on any Optional Dissolution Date specified in the applicable Pricing Supplement, such notice to be delivered in the prescribed form set out in the Sale Undertaking and not less than 45 days prior to the due date for redemption stated therein.

Following receipt by the Trustee of a duly completed Exercise Notice in the prescribed form pursuant to this Condition 11(c) (*Capital Distributions of the Trust — Dissolution at the Option of Axiata*), the Trustee shall, on giving not less than 30 nor more than 60 days' notice to the Sukukholders in accordance with Condition 18 (*Notices*) (which notice shall be irrevocable and shall oblige the Trustee to dissolve the Trust on the relevant Optional Dissolution Date), dissolve the Trust and redeem (in whole, but not in part) the Sukuk at the relevant Optional Dissolution Amount, together with Periodic Distribution Amounts accrued (if any) to the Optional Dissolution Date.

Upon the expiry of any such notice to Sukukholders as is referred to in this Condition 11(c) (*Capital Distributions of the Trust — Dissolution at the Option of Axiata*), the Trustee shall be bound to redeem the Sukuk (in whole, but not in part) and dissolve the Trust and redeem the Trust in accordance with this Condition 11(c) (*Capital Distributions of the Trust — Dissolution at the Option of Axiata*). Upon payment in full of such amounts and the dissolution as aforesaid and termination of the relevant Trust, the Sukuk shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

(d) Dissolution following a Dissolution Event

Upon the occurrence of a Dissolution Event which is continuing, the Sukuk may be redeemed at the Dissolution Amount on the Dissolution Event Redemption Date, if the conditions set out in Condition 15 (*Dissolution Events*) are satisfied, and the Trust will be dissolved by the Trustee.

(e) Dissolution following a Total Loss Termination Event

In relation to a Series which comprises Lease Assets, following the occurrence of a Total Loss Termination Event, the Sukuk will be redeemed and the Trust dissolved by the Trustee on the date notified by the Principal Paying Agent (the "**Total Loss Dissolution Date**") in a notice given to the Sukukholders in accordance with Condition 18 (*Notices*). The Trustee will exercise its rights under the Purchase Undertaking by serving an Exercise Notice on Axiata requiring Axiata to purchase and accept the transfer and conveyance of all of the Trustee's interests, rights, benefits and entitlements in and to the Residual Assets on the Total Loss Dissolution Date. The Sukuk shall be redeemed at the Dissolution Amount using: (i) the Takaful/Insurance Proceeds (if any) required to be paid into the Transaction Account by the Wakeel in accordance with the terms of the Wakala Agreement on or before the 45th day following the occurrence of the Total Loss Event; (ii) the Total Loss Shortfall Amount (if any) required to be paid into the Transaction Account by the Wakeel in accordance with the terms of the Wakala Agreement no later than the close of business in Malaysia on the 46th day after the Total Loss Event has occurred; (iii) the Residual Assets Exercise Price required to be paid into the Transaction Account by Axiata pursuant to the sale of the Residual Assets under the Purchase Undertaking; and (iv) either (a) the outstanding Deferred Payment Price (if any) required to be paid into the Transaction Account by Axiata in accordance with the terms of the Murabaha Agreement on such Total Loss Dissolution Date; (b) the outstanding Murabaha Indemnity Amount (if any) required to be paid into the Transaction Account by Axiata in accordance with the terms of the Murabaha Agreement on such Total Loss Dissolution Date; or (c) the outstanding Wakala Indemnity Amount (if any) required to be paid into the Transaction Account by Axiata in accordance with the terms of the Wakala Agreement on such Total Loss Dissolution Date.

Notwithstanding the foregoing, if following a Total Loss Termination Event, an amount greater than the Takaful/Insurance Coverage Amount (plus any accrued but unpaid Rental) is credited to the Transaction Account (the difference between the amount credited to the Transaction Account and the Takaful/Insurance Coverage Amount (plus any accrued but unpaid Rental) being the “**Total Loss Surplus Amount**”), then the Wakeel will be entitled to retain the Total Loss Surplus Amount as an incentive fee for the performance of its obligations under the Wakala Agreement and any insurance proceeds received thereafter shall be for the Wakeel’s sole account.

(f) **Dissolution following a Revocation Event**

In relation to a Series which comprises Airtime Vouchers, following the occurrence of a Revocation Event, the Trustee will exercise its rights under the Purchase Undertaking by serving an Exercise Notice on Axiata specifying the date on which Axiata would be required to purchase and accept the transfer and conveyance of all of the Trustee’s interests, rights, benefits and entitlements in and to the Residual Assets, which shall be the date falling five Business Days after the 45th day following the occurrence of the Revocation Event (the “**Revocation Event Dissolution Date**”). The Sukuk shall be redeemed on the Revocation Event Dissolution Date at the Dissolution Amount using: (i) the Residual Assets Exercise Price required to be paid into the Transaction Account by Axiata pursuant to the sale of the Residual Assets under the Purchase Undertaking; and (ii) either (a) the outstanding Deferred Payment Price (if any) required to be paid into the Transaction Account by Axiata in accordance with the terms of the Murabaha Agreement on such Revocation Event Dissolution Date; (b) the outstanding Murabaha Indemnity Amount (if any) required to be paid into the Transaction Account by Axiata in accordance with the terms of the Murabaha Agreement on such Revocation Event Dissolution Date; or (c) the outstanding Wakala Indemnity Amount (if any) required to be paid into the Transaction Account by Axiata in accordance with the terms of the Wakala Agreement on such Revocation Event Dissolution Date. Following redemption of the Sukuk on the Revocation Event Redemption Date, the Trust will be dissolved.

(g) **No other Dissolution**

The Trustee shall not be entitled to redeem the Sukuk, and the Trustee shall not be entitled to dissolve the Trust otherwise than as provided in this Condition 11 (*Capital Distributions of the Trust*), Condition 14(d) (*Purchase and Cancellation of Sukuk — Dissolution of the Trust upon cancellation of all outstanding Sukuk in a Series*) and Condition 15 (*Dissolution Events*).

(h) **Cancellations**

All Sukuk which are redeemed will forthwith be cancelled and accordingly may not be held, reissued or resold.

(i) **Effect of Payment in full of Dissolution Amount**

Upon payment in full of the Dissolution Amount and the termination of the Trust, the Sukuk shall cease to represent an undivided ownership interest in the relevant Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

12. TAXATION

All payments in respect of the Sukuk by the Trustee shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, imposed or levied, collected, withheld or assessed by or on behalf of any Relevant Jurisdiction (“**Taxes**”), unless the withholding or deduction of the Taxes is required by law. In such event, the Trustee will pay such additional amounts as shall be necessary in order that the full amount which otherwise would have been due and payable under the Sukuk is received by the Sukukholders, except that no such additional amount shall be payable in relation to any payment in respect of any Certificate presented for payment (where presentation is required):

- (i) by or on behalf of a holder who is liable for such Taxes in respect of such Sukuk by reason of having some connection with a Relevant Jurisdiction other than the mere holding of such Sukuk; or
- (ii) where such withholding or deduction is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (iii) by or on behalf of a Sukukholder who would be able to avoid such withholding or deduction by presenting the relevant Certificate to another Paying Agent in a different Member State of the European Union; or
- (iv) more than 30 days after the Relevant Date (as defined below) except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days.

In these Conditions:

“**Relevant Date**” means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the relevant Paying Agent or the Trustee or the Registrar on or before the due date, it means the date on which the full amount of the money having been so received, notice to that effect shall have been duly given to Sukukholders by the Trustee in accordance with Condition 18 (*Notices*); and

“**Relevant Jurisdiction**” means Malaysia or any political subdivision or authority thereof or therein having the power to tax.

The Transaction Documents provide that payments thereunder by Axiata shall be made without withholding or deduction for, or on account of, any present or future Taxes, unless the withholding or deduction of the Taxes is required by law and, in such case, provide for the payment by Axiata of additional amounts so that the full amount which would otherwise have been due and payable is received by the Trustee or the Delegate acting on its behalf.

If Axiata becomes subject to any taxing jurisdiction other than or in addition to Malaysia, references in these Conditions to Malaysia, shall be construed as references to Malaysia and/or such other jurisdiction, as the case may be.

13. PRESCRIPTION

The right to receive distributions in respect of the Sukuk will be forfeited unless claimed within a period of ten (10) years (in the case of any Dissolution Amount) and five years (in the case of any Periodic Distribution Amounts) from the Relevant Date in respect thereof.

14. PURCHASE AND CANCELLATION OF SUKUK

(a) Purchases

Axiata and/or any Subsidiary may at any time purchase Sukuk at any price in the open market or otherwise. Such Sukuk may be held, reissued, re-sold or, at the option of Axiata, surrendered to the Registrar for cancellation in accordance with Condition 14(b) (*Purchase and Cancellation of Sukuk — Cancellation of Sukuk held by Axiata and/or any of its Subsidiaries*).

(b) Cancellation of Sukuk held by Axiata and/or any of its Subsidiaries

If Axiata wishes to cancel any Sukuk purchased by it and/or any Subsidiary pursuant to Condition 14(a) (*Purchase and Cancellation of Sukuk — Purchases*) above (the “**Cancellation Sukuk**”), Axiata may, in accordance with the terms of the Redemption Undertaking, deliver a Cancellation Notice to the Trustee and require the Trustee to purchase and cancel any Cancellation Sukuk surrendered to it by Axiata in consideration for payment of the relevant Cancellation Amount, which may be off-set against any amount that is due and payable by Axiata to the Trustee under the Master Wakala Agreement, the Master Murabaha Agreement, the Sale Undertaking and/or the Purchase Undertaking, **provided that** any amounts to be off-set shall first be applied against any amounts due under the Master Murabaha Agreement.

(c) Redemption at the Option of the Sukukholders (Change of Control Exercise Option)

If Change of Control Exercise Option is specified in the applicable Pricing Supplement as being applicable, the Sukuk may be cancelled following the occurrence of a Change of Control Triggering Event subject to and in accordance with this Condition 14(c) (*Purchase and Cancellation of Sukuk — Redemption at the Option of the Sukukholders (Change of Control Exercise Option)*).

Axiata has undertaken in the Change of Control Undertaking to notify the Trustee and the Delegate promptly upon the occurrence of a Change of Control Triggering Event and to provide details in respect thereof promptly upon becoming aware of its occurrence. The Trustee, upon receipt of such a notice from Axiata or otherwise upon becoming aware of the occurrence of a Change of Control Triggering Event, shall promptly give notice (a “**Change of Control Notice**”) of the occurrence of a Change of Control Triggering Event to the Sukukholders in accordance with Condition 18 (*Notices*).

A Change of Control Notice shall provide a description of the Change of Control Triggering Event and shall require Sukukholders to elect within 30 days (or such other period as set out in the applicable Pricing Supplement) (the “**Change of Control Exercise Period**”) of the date of the Change of Control Notice if they wish all or any of their Sukuk to be redeemed.

To elect to redeem all or any of its Sukuk in accordance with this Condition 14(c) (*Purchase and Cancellation of Sukuk — Redemption at the Option of the Sukukholders (Change of Control Exercise Option)*), a Sukukholder must, if such Sukuk are in definitive form and held outside Euroclear and Clearstream, Luxembourg deposit its Certificate(s), on any business day in the city of the specified office of the Registrar or Transfer Agent falling within the Change of Control Exercise Period with the Registrar or Transfer Agent at its specified office, together with a duly completed option exercise notice (“**Change of Control Exercise Notice**”) in the form obtainable from the relevant Paying Agent, Registrar or Transfer Agent (as applicable).

If Sukuk are represented by a Global Certificate or are in definitive certificate form and held through Euroclear or Clearstream, Luxembourg, then in order to exercise the right to require redemption of a Sukuk under this Condition 14(c) (Purchase and Cancellation of Sukuk — Redemption at the Option of the Sukukholders (Change of Control Exercise Option)), a Sukukholder must, within the Change of Control Exercise Period, give notice to a Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to a Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if this Sukuk is represented by a Global Certificate, at the same time present or procure the presentation of the relevant Global Certificate to a Paying Agent for notation or entry in the Register accordingly.

No Sukuk so deposited and in relation to which the option is exercised may be withdrawn (except as otherwise provided in the Agency Agreement) without the prior consent of the Trustee. The Agent to which any Certificate(s) and Change of Control Exercise Notice are delivered will issue to the holder concerned a non-transferable receipt (a “**Change of Control Exercise Notice Receipt**”).

The relevant Agent shall serve a notice on the Trustee (the “**Change of Control Confirmation Notice**”). On the last day of the Change of Control Exercise Period, following the receipt of a Change of Control Confirmation Notice, pursuant to the Change of Control Undertaking, the Trustee shall serve a Change of Control Purchase Notice on Axiata, requiring Axiata on the seventh day after the last day of the Change of Control Exercise Period, to purchase from the relevant Sukukholders the relevant Change of Control Sukuk in consideration for the payment by wire transfer in the Specified Currency and in same day, freely transferable, cleared funds, of the Change of Control Amount.

Following the purchase by Axiata of any Change of Control Sukuk pursuant to the Change of Control Undertaking, Axiata may, in accordance with the terms of the Redemption Undertaking, deliver a Cancellation Notice to the Trustee and require the Trustee to purchase and cancel any Change of Control Sukuk surrendered to it by Axiata in consideration for payment of the relevant Cancellation Amount, which may be off-set against any amount that is due and payable by Axiata to the Trustee under the Master Wakala Agreement, the Master Murabaha Agreement, the Sale Undertaking and/or the Purchase Undertaking, **provided that** any amounts to be off-set shall first be applied against any amounts due under the Master Murabaha Agreement.

(d) **Dissolution of the Trust upon cancellation of all outstanding Sukuk in a Series**

In the event Axiata and/or any of its Subsidiaries purchase all the outstanding Sukuk in a Series following the exercise of the relevant Change of Control Undertaking or the Redemption Undertaking, as the case may be, and all such Sukuk are subsequently cancelled by the Trustee pursuant to the Redemption Undertaking, the relevant Trust will be dissolved on such Cancellation Dissolution Date and the Sukuk shall cease to represent an undivided ownership interest in the relevant Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

15. DISSOLUTION EVENTS

Upon the occurrence of any of the following events (each a “**Dissolution Event**”):

- (i) subject to Condition 4(c)(i) default is made in the payment of the Dissolution Amount on the date fixed for payment thereof or default is made in the payment of any Periodic Distribution Amount on the due date for payment thereof; or

- (ii) the Trustee defaults in the performance or observance of or compliance with any of its other obligations or undertakings under the Transaction Documents to which it is a party and (except in any case where the default is incapable of remedy, no continuation or notice as is hereinafter mentioned will be required) the default continues for a period of 30 days following the service by the Delegate on the Trustee of notice requiring the same to be remedied; or
- (iii) an Axiata Event occurs and is continuing; or
- (iv) the Trustee repudiates any Transaction Document to which it is a party or does or causes to be done any act or thing evidencing an intention to repudiate any Transaction Document to which it is a party; or
- (v) at any time it is unlawful or impossible for the Trustee (by way of insolvency or otherwise) to perform or comply with any or all of its obligations under the Transaction Documents or any of the obligations of the Trustee under the Transaction Documents are not or cease to be legal, valid, binding and enforceable; or
- (vi) either: (a) the Trustee becomes insolvent or is unable to pay its debts as they fall due; (b) an administrator or liquidator of the whole or substantially the whole of the undertaking, assets and revenues of the Trustee is appointed (or application for any such appointment is made); (c) the Trustee takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it; or (d) the Trustee ceases or threatens to cease to carry on all or substantially the whole of its business; or
- (vii) an order or decree is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Trustee; or
- (viii) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraph (vi) and (vii) above,

the Delegate shall (subject to it being indemnified and/or secured and/or prefunded to its satisfaction and subject to it having been notified in writing of the occurrence of such Dissolution Event) give notice in writing of the occurrence of such Dissolution Event to the Sukukholders in accordance with Condition 18 (*Notices*) with a request to such holders to indicate if they wish the Trust to be dissolved. If so requested in writing by the holders of at least 20 per cent. of the then aggregate face amount of the Series outstanding or if so directed by an Extraordinary Resolution of the Sukukholders (a “**Dissolution Request**”) it shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) give notice to the Trustee and Axiata of the Dissolution Request and, upon receipt of such notice, the Trustee shall enforce its rights against Axiata under the Transaction Documents and distribute to the Sukukholders the resultant proceeds and the Sukuk shall be redeemed at the Dissolution Amount on the date specified in such notice (the “**Dissolution Event Redemption Date**”) and the Trust shall be dissolved on the day after the last outstanding Sukuk has been redeemed.

The provisions of this Condition 15 shall at all times remain subject to the provisions of Condition 4(b) (*Status and Limited Recourse — Limited Recourse*) and Condition 4(c) (*Status and Limited Recourse — Agreement of Sukukholders*).

As set out in the Purchase Undertaking, each of the following events or circumstances shall constitute an “**Axiata Event**”:

- (a) Axiata defaults in the payment of any amount due under the Transaction Documents and the default continues for a period of five business days; or
- (b) Axiata fails to perform or observe any of its other obligations under the Transaction Documents and (except in any case where the failure is incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required) the failure continues for a period of 30 days following the service by the Delegate on Axiata of notice requiring the same to be remedied; or
- (c) if (i) any Indebtedness for Borrowed Money (as defined below) of Axiata or any Principal Subsidiary becomes due and repayable prematurely by reason of an event of default (however described); (ii) Axiata or any Principal Subsidiary fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment or within any originally applicable grace period; (iii) any security given by Axiata or any Principal Subsidiary for any Indebtedness for Borrowed Money becomes enforceable; or (iv) default is made by the Axiata or any Principal Subsidiary in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person **provided that** no event described in this subparagraph (c) shall constitute an Axiata Event unless the relevant amount of Indebtedness for Borrowed Money or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Indebtedness for Borrowed Money and/or other liabilities due and unpaid relative to all (if any) other events specified in (i) to (iv) above amounts to at least U.S.\$50,000,000 (or its equivalent in any other currency); or
- (d) if any order is made by any competent court or resolution is passed for the winding up or dissolution of Axiata or any Principal Subsidiary except, in the case of a Solvent Principal Subsidiary, for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (a “**Reorganisation**”) (i) on terms approved by an Extraordinary Resolution of the Sukukholders or (ii) whereby, pursuant to such Reorganisation, the assets and undertaking of such Principal Subsidiary are otherwise transferred to or vested in Axiata or the other Principal Subsidiaries and no Reorganisation Rating Decline shall have occurred on or prior to the relevant Post-Reorganisation Date; or
- (e) if Axiata or any Principal Subsidiary ceases or threatens to cease to carry on the whole or a substantial part of its business (save for the purposes of a Reorganisation on terms approved by an Extraordinary Resolution of the Sukukholders and, in the case of a Solvent Principal Subsidiary, for the purpose of and followed by a Reorganisation whereby, pursuant to such Reorganisation, the assets and undertaking of such Principal Subsidiary are transferred to or vested in Axiata or the other Principal Subsidiaries and no Reorganisation Rating Decline shall have occurred on or prior to the relevant Post-Reorganisation Date) or Axiata or any Principal Subsidiary stops or threatens to stop payment of, or is unable to, or admits inability to, pay, a substantial part of its debts as they fall due or is deemed unable to pay a substantial part of its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (f) if (i) an order is made against Axiata or any Principal Subsidiary under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to Axiata

or any Principal Subsidiary or, as the case may be, in relation to the whole or any substantial part of the undertaking or assets of any of them (except, in the case of a Solvent Principal Subsidiary, for the purpose of and followed by a Reorganisation (i) on terms approved by an Extraordinary Resolution of the Sukukholders or (ii) whereby, pursuant to such Reorganisation, the assets and undertaking of such Principal Subsidiary are otherwise transferred to or vested in Axiata or the other Principal Subsidiaries and no Reorganisation Rating Decline shall have occurred on or prior to the relevant Post-Reorganisation Date) or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them, and (ii) in any such case (other than the appointment of an administrator) unless initiated by the relevant company, is not discharged or stayed within 90 days; or

- (g) Axiata or any Principal Subsidiary (or their respective directors or shareholders by way of resolution) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors in respect of a substantial part of its debts) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors in respect of a substantial part of its debts); or
- (h) any Transaction Document ceases to be, or is claimed by Axiata not to be, in full force and effect; or
- (i) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable Axiata lawfully to enter into, exercise their respective rights and perform and comply with its obligations under the Transaction Documents, (ii) to ensure that those obligations are valid, legally binding and enforceable, and (iii) to make any Transaction Document admissible in evidence in the courts of England, is not taken fulfilled or done; or
- (j) any event occurs which, under the laws of any relevant jurisdiction, has an analogous effect to any of the events referred to in the foregoing paragraphs of this Condition.

“Indebtedness for Borrowed Money” means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities or any borrowed money or any liability under or in respect of any acceptance or acceptance credit, which shall include any undertaking or other obligation to pay any money in connection with a transaction structured in compliance with the principles of *Shari’a* and which has the commercial effect of a borrowing;

“Post-Reorganisation Date” means the date falling six months after the completion of a Reorganisation;

“Reorganisation Rating Decline” means in connection with a Reorganisation by a Solvent Principal Subsidiary, the Sukuk cease to be rated Investment Grade by each of the two Rating Agencies rating the Sukuk; and

“Solvent” means with respect to a particular date, that on such date (i) the present fair market value (or present fair saleable value) of the assets of the relevant Principal Subsidiary is not less than the total amount required to pay the liabilities of the relevant Principal Subsidiary on its total existing debts and liabilities (including contingent liabilities) as they become due and

payable, (ii) the relevant Principal Subsidiary is able to realise upon its assets and pay its debts and other liabilities, contingent obligations and commitments as they mature and become due and payable in the normal course of business, (iii) the relevant Principal Subsidiary will be able to meet its obligations under all outstanding Indebtedness for Borrowed Money as they fall due, and (iv) the relevant Principal Subsidiary is not a defendant in any civil action that in the reasonable expectation of such Principal Subsidiary would result in a judgment that such Principal Subsidiary is or would become unable to satisfy.

16. ENFORCEMENT AND EXERCISE OF RIGHTS

- (i) Upon the occurrence of a Dissolution Event, to the extent any amount payable in respect of the Sukuk has not been paid in full, the Trustee (or the Delegate, acting on behalf of the Trustee), (subject to it being indemnified and/or secured and/or prefunded to its satisfaction)), may (acting for the benefit of the Sukukholders) take one or more of the following steps:
 - (A) enforce the provisions of the Transaction Documents against Axiata; and/or
 - (B) take such other steps as the Trustee or the Delegate (acting in the name and on behalf of the Trustee) may consider necessary to recover amounts due to the Sukukholders.
- (ii) Following the enforcement, realisation of the Sukuk and ultimate distribution of the net proceeds of the relevant Trust Assets in respect of the Sukuk to the Sukukholders in accordance with these Conditions and the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust, the obligations of the Trustee in respect of the Sukuk shall be satisfied. In such circumstances, the obligation of the Trustee in respect of the Sukuk will be satisfied and the right of the Sukukholders to receive any further sums shall be extinguished and neither the Trustee nor the Delegate shall be liable for any such sums and, accordingly, Sukukholders may not take any action against the Trustee, the Delegate, the Agents or any other person (including Axiata) to recover any such sum or asset in respect of the relevant Sukuk or the Trust Assets. In particular, no holder of the Sukuk shall be entitled in respect thereof to petition or to take any other steps for the winding up of the Trustee.
- (iii) No Sukukholder shall be entitled to proceed directly against, or provide instructions to the Delegate to proceed against, the Trustee or Axiata under any Transaction Document to which either of them is a party unless: (a) the Delegate fails to do so within 30 days of becoming so bound and such failure its continuing; and (b) the relevant Sukukholder (or such Sukukholder together with the other Sukukholders who propose to proceed directly against any of the Trustee or Axiata as the case may be) holds at least 20 per cent. of the then outstanding aggregate face amount of the Series. Under no circumstances shall the Delegate or any Sukukholder have any right to cause the sale or other disposition of any of the relevant Trust Assets to any third party and the sole right of the Delegate and the Sukukholders against the Trustee and Axiata shall be to enforce their respective obligations under the Transaction Documents.
- (iv) Subject to paragraph (ii), the Delegate shall not be bound in any circumstances to take any action to enforce or to realise the relevant Trust Assets or take any action against the Trustee and/or Axiata under any Transaction Document to which either of the Trustee or Axiata is a party unless directed or requested to do so: (a) by an Extraordinary Resolution; or (b) in writing by the holders of at least 20 per cent. of the then outstanding aggregate face amount of the Sukuk of the relevant Series and in either case then only if it is

indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable and **provided that** the Delegate shall not be held liable for the consequences of exercising its discretion or taking any such action and may do so without having regard to the effect of such action on individual Sukukholders.

17. REPLACEMENT OF CERTIFICATES

If any Definitive Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar (and, if the Sukuk are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Trustee may reasonably require. Mutilated or defaced Definitive Certificates must be surrendered before replacements will be issued.

18. NOTICES

Save as provided in this Condition 18 (*Notices*) all notices regarding the Sukuk will be in the English language and will be deemed to be validly given if published in a leading English language newspaper having general circulation in Malaysia. The Trustee shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Sukuk are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

Until such time as any definitive Certificates are issued, there may, so long as the Global Certificate representing the Sukuk is held in its entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Sukuk. Any such notice shall be deemed to have been given to the holders of the Sukuk on the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

Notices to be given by any Sukukholder shall be in writing and given by lodging the same, together with the relevant Certificate or Certificates, with the Principal Paying Agent.

19. MEETINGS OF SUKUKHOLDERS, MODIFICATION, WAIVER, AUTHORISATION AND DETERMINATION

- (i) The Master Declaration of Trust contains provisions for convening meetings of Sukukholders to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of these Conditions or the provisions of the Master Declaration of Trust. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Trustee and shall be convened by the Trustee, failing which, the Delegate upon the request in writing of Sukukholders holding not less than one tenth of the aggregate face amount of the Sukuk of a Series. The quorum at any meeting for passing an Extraordinary Resolution will be two or more Sukukholders,

proxies or representatives holding or representing in the aggregate more than half of the then outstanding aggregate face amount of the Sukuk (or, in the case of a meeting called in respect of more than one Series, the then outstanding aggregate face amount of the Sukuk of all the relevant Series) or at any adjourned such meeting one or more Sukukholders present, proxies or representatives (whatever the outstanding face amount of the Sukuk of all the relevant Series held or represented by him/her or them), **provided, however that**, any meeting the business of which includes the modification of a Reserved Matter, the quorum for passing an Extraordinary Resolution shall be two or more Sukukholders, proxies or representatives holding or representing in the aggregate not less than two-thirds of the then aggregate outstanding face amount of the Series (or, in the case of a meeting called in respect of more than one Series, the then outstanding aggregate face amount of the Sukuk of all the relevant Series) or at any adjourned such meeting two or more Sukukholders, proxies or representatives holding or representing not less than 25 per cent. of the then aggregate outstanding face amount of the Series (or, in the case of a meeting called in respect of more than one Series, the then outstanding aggregate face amount of the Sukuk of all the relevant Series). To be passed, an Extraordinary Resolution requires a majority in favour consisting of not less than three-quarters of the persons voting on a show of hands or, if a poll is duly demanded, a majority of not less than three-quarters of the votes cast on such poll and, if duly passed, will be binding on all Sukukholders, whether or not they are present at the meeting and whether or not voting.

- (ii) The Master Declaration of Trust provides that a resolution in writing signed by or on behalf of at least 90 per cent. of the holders of the Sukuk outstanding who for the time being are entitled to receive notice of a meeting in accordance with schedule 4 (*Provisions for Meetings of Sukukholders*) of the Master Declaration of Trust shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Sukukholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Sukukholders.
- (iii) The Master Declaration of Trust, any Supplemental Declaration of Trust, any other Transaction Document and the Trustee's memorandum and articles of association may only be amended by the Trustee with the consent of the Delegate and the Delegate may agree, without the consent or sanction of the Sukukholders, to any modification of any of the Master Declaration of Trust, any Supplemental Declaration of Trust, any other Transaction Document or the Trustee's memorandum and articles of association if, in the opinion of the Delegate: (i) such modification is of a formal, minor or technical nature; (ii) such modification is made to correct a manifest error; or (iii) such modification is not materially prejudicial to the interests of the outstanding Sukukholders and is other than in respect of a Reserved Matter or any provisions of the Master Declaration of Trust referred to in the definition of a Reserved Matter. Any such modification may be made on such terms and subject to such conditions (if any) as the Delegate may determine, shall be binding on the Sukukholders and, unless the Delegate otherwise decides, shall be notified by the Trustee to the Sukukholders in accordance with Condition 18 (*Notices*) as soon as practicable thereafter.
- (iv) The Delegate may, without the consent or sanction of the Sukukholders and without prejudice to its rights in respect of any subsequent breach from time to time and at any time: (i) give its consent under these presents or any other Transaction Document and agree to waive or to authorise any breach or proposed breach of any provision of the Master Declaration of Trust or any other Transaction Document; or (ii) determine that any Dissolution Event or Potential Dissolution Event shall not be treated as such, **provided that**: (A) in the opinion of the Delegate, such waiver, authorisation or determination is not

materially prejudicial to the interests of the outstanding Sukukholders; and (B) the Delegate will not do so in contravention of an express direction given by Extraordinary Resolution or a request made pursuant to Condition 15 (*Dissolution Events*). No such direction or request will affect a previous waiver, authorisation or determination. Any such waiver, authorisation or determination shall be binding on the Sukukholders and unless the Delegate otherwise requires, shall be notified by the Trustee to the Sukukholders in accordance with Condition 18 (*Notices*) as soon as practicable thereafter.

- (v) In connection with the exercise by it of any of its powers, trusts, authorities and discretions under the Master Declaration of Trust (including, without limitation, any modification), the Delegate shall have regard to the general interests of the Sukukholders as a class (except where the context otherwise requires (as determined by the Delegate in its absolute discretion)) and shall not have regard to any interest arising from circumstances particular to individual Sukukholders (whatever their number) and, in particular, but without limitation, shall not have regard to the consequences of such exercise for individual Sukukholders (whatever their number) resulting from them being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof or taxing jurisdiction and the Delegate shall not be entitled to require, nor shall any Sukukholder be entitled to claim from the Trustee, the Delegate, Axiata or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Sukukholders (except, in the case of the Trustee and Axiata, to the extent already provided for in Condition 12 (*Taxation*)).

20. THE DELEGATE

The Trustee has in the Master Declaration of Trust irrevocably and unconditionally appointed the Delegate to be its attorney and in its name, on its behalf and as its act and deeds to execute, deliver and perfect all documents, and to exercise all of the present and future duties, powers (including the power to sub-delegate), trusts, authorities (including, but not limited to, the authority to request directions from any Sukukholders and the power to make any determinations to be made under the Master Declaration of Trust) and discretions vested in the Trustee by the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust, that the Delegate may consider to be necessary or desirable, and subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, in order, upon the occurrence of a Dissolution Event or Potential Dissolution Event, to exercise all of the rights of the Trustee under the Purchase Undertaking and the relevant Transaction Documents, **provided that** no obligations, duties, Liabilities or covenants of the Trustee pursuant to the Master Declaration of Trust or any other Transaction Document shall be imposed on the Delegate by virtue of this delegation, and make such distributions from the relevant Trust Assets as the Trustee is bound to make in accordance with the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust, (together the “**Delegation**” of the “**Relevant Powers**”), **provided that** in no circumstances will such Delegation of the Relevant Powers result in the Delegate holding on trust the relevant Trust Assets and **provided further that** such Delegation and the Relevant Powers shall not include any duty, power, trust, authority or discretion to hold any of the relevant Trust Assets, to dissolve any of the trusts constituted by the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust following the occurrence of a Dissolution Event or Potential Dissolution Event or to determine the remuneration of the Delegate. The Trustee shall ratify and confirm all things done and all documents executed by the Delegate in the exercise of all or any of the Relevant Powers.

In addition to the Delegation of the Relevant Powers under the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust, the Delegate also has certain powers which are vested solely in it from the date of the Master Declaration of Trust.

The appointment of a delegate by the Trustee is intended to be in the interests of the Sukukholders and does not affect the Trustee's continuing role and obligations as sole trustee.

The Master Declaration of Trust contains provisions for the indemnification of the Delegate in certain circumstances and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction. In particular, in connection with the exercise of any of its rights in respect of the relevant Trust Assets or any other right it may have pursuant to the Master Declaration of Trust, the Delegate shall in no circumstances be bound to take any action unless directed to do so in accordance with Condition 16 (*Enforcement and Exercise of Rights*), and then only if it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

The Delegate makes no representation and assumes no responsibility for the validity, sufficiency or enforceability of the obligations of Axiata under the Transaction Documents to which it is a party and shall not under any circumstances have any liability or be obliged to account to Sukukholders in respect of any payments which should have been paid by Axiata but are not so paid and shall not in any circumstances have any liability arising from the relevant Trust Assets other than as expressly provided in these Conditions or in the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust.

The Delegate may rely without liability to Sukukholders on a report, confirmation, certificate or any advice of any accountants, financial advisers, financial institution, auditors, insolvency officials or any other expert (whether or not addressed to the Delegate and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Delegate or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise) in accordance with or for the purposes of the Master Declaration of Trust or the other relevant Transaction Documents. The Delegate may accept and shall be entitled to rely on any such report, confirmation or certificate or advice as sufficient evidence of the facts stated therein and such report, confirmation, certificate or advice shall be binding on the Trustee, the Delegate and the Sukukholders. The Delegate shall not be bound in any such case to call for further evidence or be responsible for any liability or inconvenience that may be occasioned by its failure to do so.

Each of the Trustee and the Delegate is exempted from: (a) any liability in respect of any loss or theft of the Trust Assets or any cash; (b) any obligation to insure the Trust Assets (other than, with respect to the Trustee, in accordance with the Transaction Documents) or any cash; and (c) any claim arising from the fact that the Trust Assets or any cash are held by or on behalf of the Trustee or on deposit or in an account with any depositary or clearing system or are registered in the name of the Trustee or its nominee, unless such loss or theft arises as a result of gross negligence, wilful default or fraud by the Trustee or the Delegate, as the case may be.

Nothing shall, in any case where the Trustee or the Delegate has failed to show the degree of care and diligence required of it as trustee, in the case of the Trustee (having regard to the provisions of the Master Declaration of Trust conferring on it any trusts, powers, authorities or discretions) or as donee and delegate, in the case of the Delegate (having regard to the powers, authorities and discretions conferred on it by the Master Declaration of Trust and to the Relevant Powers delegated to it), respectively exempt the Trustee or the Delegate from or indemnify either of them against any Liability for gross negligence, wilful default or fraud of which either of them may be guilty in relation to their duties under the Master Declaration of Trust.

21. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of these Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

22. GOVERNING LAW

- (i) **Governing Law:** The Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust (including these Conditions), the Agency Agreement and the Sukuk and any non-contractual obligations arising out of or in connection with the same (including the remaining provisions of this Condition 22 (*Governing Law*)) are and shall be governed by, and construed in accordance with, English law.
- (ii) **English courts:** The courts of England have exclusive jurisdiction to settle any dispute (a “**Dispute**”), arising out of or in connection with the Sukuk (including a dispute relating to the existence, validity or termination of the Sukuk or any non-contractual obligation arising out of or in connection with the Sukuk) or the consequences of its nullity.
- (iii) **Appropriate forum:** The Trustee and Axiata have irrevocably agreed for the benefit of the Sukukholders that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue to the contrary.
- (iv) **Rights of the Sukukholders to take proceedings outside England:** Condition 22(ii) (*English courts*) is for the benefit of the Sukukholders only. As a result, nothing in this Condition 22 prevents the Sukukholders from taking proceedings relating to a Dispute (“**Proceedings**”) in any other courts with jurisdiction. To the extent allowed by law, the Sukukholders may take concurrent Proceedings in any number of jurisdictions.
- (v) **Process agent:** Each of the Trustee and Axiata agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Law Debenture Corporate Services Limited at Fifth Floor, 100 Wood Street, London, EC2V 7EX, United Kingdom or, if different, its registered office for the time being or at any address of either the Trustee or Axiata in Great Britain at which process may be served on it in accordance with the Companies Act, 2006. If such person is not or ceases to be effectively appointed to accept service of process on behalf of either the Trustee or Axiata, as the case may be, Axiata shall, on the written demand of any Sukukholder addressed to the Trustee or, as the case may be, Axiata and delivered to the Trustee or, as the case may be, Axiata appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Sukukholder shall be entitled to appoint such a person by written notice addressed to the Trustee or, as the case may be, Axiata and delivered to the Trustee or, as the case may be, Axiata. Nothing in this paragraph shall affect the right of any Sukukholder to serve process in any other manner permitted by law. This condition applies to Proceedings in England and to Proceedings elsewhere.
- (vi) **Waiver of immunity:** To the extent that Axiata or, as the case may be, the Trustee may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to Axiata or, as the case may be, the Trustee or each of its assets or revenues, each of the Trustee and Axiata agrees not to claim and irrevocably and unconditionally waive such immunity to the full extent permitted by the laws of such jurisdiction in relation to any Proceedings or Disputes.

FORM OF THE SUKUK

The Sukuk of each Series will be in registered form. Sukuk will be issued outside the United States in reliance on Regulation S under the Securities Act.

GLOBAL CERTIFICATE

Each Series of Sukuk will initially be represented by a global certificate in registered form (a “**Global Certificate**”) or by definitive certificates in registered form (each a “**Definitive Certificate**”). Each Global Certificate will be deposited with a common depository (the “**Common Depository**”) for Euroclear and Clearstream, Luxembourg and will be registered in the name of a nominee for the Common Depository. Persons holding beneficial interests in a Global Certificate will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of Definitive Certificates.

EXCHANGE FOR DEFINITIVE CERTIFICATES

Interests in a Global Certificate will be exchangeable (free of charge), in whole but not in part, for Definitive Certificates of a particular Series only upon the occurrence of an Exchange Event. The Trustee will promptly give notice to Sukukholders in accordance with Condition 18 (*Notices*) if an Exchange Event occurs. For these purposes, an “**Exchange Event**” will occur: (i) on the expiry of such period of notice as may be specified in the applicable Pricing Supplement; or (ii) at any time, if so specified in the applicable Pricing Supplement; or (iii) if the applicable Pricing Supplement specifies “in the limited circumstances described in the Global Certificate”, then if: (a) the Trustee has been notified that both Euroclear and Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business and no successor clearing system is available; (b) any of the circumstances described in Condition 15 (*Dissolution Events*) occurs; or (c) the Trustee has or will become subject to adverse tax consequences which would not be suffered were the Sukuk in definitive form. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg or any other person acting on their behalf, as the case may be, (acting on the instructions of any holder of an interest in such Global Certificate) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (c) above, the Trustee may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

For so long as any Sukuk is represented by a Global Certificate held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular face amount of such Sukuk (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the face amount of such Sukuk standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated as the holder of such face amount of such Sukuk for all purposes other than with respect to any payment on such face amount of such Sukuk, for which purpose the registered holder of the relevant Global Certificate shall be treated by the Trustee and their respective agents as the holder of such face amount of such Sukuk in accordance with and subject to the terms of the relevant Global Certificate and the expressions “**Sukukholder**” and “**holder of Sukuk**” and related expressions shall be construed accordingly.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

PAYMENTS TO REGISTERED HOLDER

Payments of any amount in respect of the Global Certificate will, in the absence of provision to the contrary, be made to the person shown in the Register as the registered Holder of the Sukuk represented by a Global Certificate at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the “**Record Date**”) where the “**Clearing System Business Day**” means a day on which each clearing system for which the Global Certificate is being held is open for business. None of the Trustee, the Delegate, Axiata, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of ownership interests in the Global Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests.

Payment of any amounts in respect of Definitive Certificates will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date immediately preceding the due date for payment in the manner provided in that Condition 10 (*Payment*).

For so long as any Sukuk are listed on the SGX-ST and the rules of the SGX-ST so require, the Trustee shall appoint and maintain a paying agent in Singapore, where such Sukuk may be presented or surrendered for payment or redemption, in the event that the Global Certificate representing such Sukuk is exchanged for Definitive Certificates. In addition, in the event that the Global Certificate is exchanged for Definitive Certificates, an announcement of such exchange will be made by or on behalf of the Trustee through the SGX-ST and such announcement will include all material information with respect to the delivery of the Definitive Certificates, including details of the paying agent in Singapore.

TERMS AND CONDITIONS APPLICABLE TO THE SUKUK WHILE IN GLOBAL FORM

The terms and conditions applicable to any Definitive Certificate will be endorsed on that Definitive Certificate and will consist of the terms and conditions set out under “*Terms and Conditions of the Sukuk*” below and the provisions of the applicable Pricing Supplement which supplements, amends and/or replaces those terms and conditions.

The terms and conditions applicable to any Global Certificate will differ from those terms and conditions which would apply to the Sukuk were they to be represented by Definitive Certificates. Below is a summary of certain of those provisions.

Payments: All payments in respect of a Global Certificate which, according to the Terms and Conditions of the Sukuk, require presentation and/or surrender of a Certificate will be made against presentation and (in the case of payment of principal in full with all profit amounts accrued thereon) surrender of the Global Certificate to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Trustee in respect of the Sukuk.

Change of Control Exercise Option: In order to exercise the option contained in Condition 14(c) (*Purchase and Cancellation of Sukuk — Redemption at the Option of the Sukukholders (Change of Control Exercise Option)*), a Sukukholder must, within the Change of Control Exercise Period, give notice to a Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to a Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and at the same time present or procure the presentation of the relevant Global Certificate to a Paying Agent for notation or entry in the Register accordingly.

Notices: Notwithstanding Condition 18 (*Notices*), while all the Sukuk are represented by a Global Certificate which is deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system notices to Sukukholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Sukukholders in accordance with Condition 18 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

FORM OF PRICING SUPPLEMENT

The Pricing Supplement in respect of each Series of Sukuk will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Sukuk and their issue. Text in this section appearing in italics does not form part of the form of the Pricing Supplement but denotes directions for completing the Pricing Supplement.

[Date]

Axiata SPV2 Berhad

**Issue of [Aggregate Face Amount of Series] [Title of 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 [23] October 2015 [and the supplemental Offering Circular dated [●]] which [together] constitute] an offering circular (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 [as so supplemented] is available for viewing [at [●]] and 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, Corporate Headquarters, Axiata Tower, 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.

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.]

[The proceeds of any issue of Sukuk should not be accepted in the United Kingdom.]

- | | | |
|----|----------------------------------|---|
| 1. | (i) Trustee: | Axiata SPV2 Berhad |
| | (ii) Obligor: | Axiata Group Berhad |
| 2. | (i) Series Number: | [●] |
| | (ii) Tranche: | [●] |
| 3. | Specified Currency: | [●] |
| 4. | Aggregate Face Amount of Series: | [●] |
| 5. | Issue Price: | [●] per cent., of the Aggregate Face Amount |

6. (i) Specified Denominations: [●] (*this means the minimum integral amount in which transfers can be made*)
- (ii) Calculation Amount: [●]³
7. Issue Date: [●]
8. (i) Return Accrual Commencement Date: [Issue Date][*specify other*]
- (ii) Scheduled Dissolution Date: [*Specify date or (for Floating Periodic Distribution Sukuk) Periodic Distribution Date falling in or nearest to the relevant month and year.*]
9. Periodic Distribution Amount Basis: [[●] per cent. Fixed Periodic Distribution Amount] [*specify reference rate*] +/- [●] per cent. Floating Periodic Distribution Amount] (*further particulars specified below*)
10. Dissolution Basis: Dissolution at par
11. Change of Periodic Distribution Basis: [*Specify details of any provision for convertibility of Sukuk into another Periodic Distribution Amount basis.*] [Not Applicable]
12. Call Option: [Not Applicable] [Optional Dissolution Right] [Change of Control Exercise Option] (*further particulars specified below*)
13. Date [Board] approval for issuance of Sukuk obtained: [●] in the case of the Trustee
- [●] in the case of Axiata
- [*N.B. only relevant where board (or similar) authorisation is required for the particular Series of Sukuk*]
14. Listing: [Singapore/Malaysia/other (*specify*)/None]
15. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO PERIODIC DISTRIBUTIONS PAYABLE

16. Fixed Periodic Distribution Provisions: [Applicable/Not Applicable]
- [*If not applicable, delete the remaining sub-paragraphs of this paragraph*]
- (i) Rate[(s)]: [●] per cent., per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]

³ The applicable Calculation Amount (which is used for the calculation of periodic distribution amounts and redemption amounts) will be (i) if there is only one Specified Denomination, the Specified Denomination of the relevant Sukuk or (ii) if there are several Specified Denominations (e.g. Specified Denominations of U.S.\$100,000 and multiples of U.S.\$1,000), the highest common factor of those Specified Denominations (note: there must be a common factor in the case of two or more Specified Denominations).

- (ii) Periodic Distribution Date(s): in each year up to and including the Scheduled Dissolution Date] [*specify other*]
- (iii) Fixed Amount[(s)]: per Calculation Amount⁴
- (iv) Broken Amount(s): per Calculation Amount][Not Applicable]
- [Insert particulars of any initial or final broken Periodic Distribution Amounts which do not correspond with the Fixed Amount[(s)] specified under paragraph 16(iii)]*
- (v) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or Actual/365 (Fixed)]⁵ [*specify other*]
- (vi) Determination Date(s): in each year][Not Applicable]
- [Insert regular Periodic Distribution Dates, ignoring issue date or Scheduled Dissolution Date in the case of a long or short first or last return accumulation period.*
- N.B. This will need to be amended in the case of regular periodic distribution dates which are not of equal duration.]*
- [N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)]*
- (vii) Other terms relating to the method of calculating Fixed Periodic Distribution Amounts: [Not Applicable/*give details*]
17. Floating Periodic Distribution Provisions: [Applicable/Not Applicable]
- [If not applicable, delete the remaining subparagraphs of this paragraph]*
- (i) Specified Periodic Distribution Dates: [Not Applicable]
- [Specified Period and Specified Periodic Distribution Dates are alternatives. If the Business Day Convention is the Floating Rate Convention, insert “Not Applicable”]*

⁴ For Renminbi or Hong Kong dollar denominated Sukuk for which the Fixed Periodic Distribution Provisions are applicable, where the Periodic Distribution Dates are subject to modification the following alternative wording is appropriate: “Each Fixed Amount shall be calculated by multiplying the product of the Rate and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 in the case of Renminbi denominated Sukuk for which the Fixed Periodic Distribution Provisions are applicable, being rounded upwards and to the nearest HK\$0.01, HK\$0.005 in the case of Hong Kong dollar denominated Sukuk for which the Fixed Periodic Distribution Provisions are applicable, being rounded upwards.”

⁵ Applicable to Hong Kong dollar and Renminbi denominated Sukuk for which the Fixed Periodic Distribution Provisions are applicable.

- (ii) Specified Period: [Not Applicable]
- [Specified Period and Specified Periodic Distribution Dates are alternatives. A Specified Period, rather than Specified Periodic Distribution Dates, will only be relevant if the Business Day Convention is the Floating Rate Convention. Otherwise, insert "Not Applicable"]*
- (iii) First Periodic Distribution Date: [specify]
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/No Adjustment/*[specify other]*]
- (v) Additional Business Centre(s): [Not Applicable/*give details*]
- (vi) Manner in which the Rate(s) is/are to be determined: [Screen Rate Determination (Condition 9(c) *(Floating Periodic Distribution Provisions — Screen Rate Determination)*) applies/*specify other*]
- (vii) Screen Rate Determination: [Applicable/Not Applicable]
- [If not applicable, delete the remaining subparagraphs of this paragraph]*
- (a) Reference Rate: [*For example, LIBOR, EURIBOR or HIBOR*]
- (b) Periodic Distribution Determination Date: [*[Second London business day prior to the start of each Return Accumulation Period if LIBOR (other than Sterling, Hong Kong or euro LIBOR), first day of each Return Accumulation Period if Sterling or Hong Kong LIBOR or HIBOR and the second day on which the TARGET System is open prior to the start of each Return Accumulation Period if EURIBOR or euro LIBOR]*]
- (c) Relevant Screen Page: []
- (d) Relevant Time: [*[For example, 11.00 a.m. London/Malaysia time]*]
- (viii) Margin: [+/-] per cent. per annum
- (ix) Day Count Fraction: [Actual/Actual], [Actual/Actual (ICMA)], [Actual/365 (Fixed), [Actual/360], [30/360] or [30E/360] (See Condition 9(e) *(Floating Periodic Distribution Provisions — Calculation of Periodic Distribution Amount)* for alternatives)
- (x) Calculation Agent: [Principal Paying Agent] *[specify other]*
- (xi) Other terms relating to the method of calculating Floating Periodic Distribution Amounts: [Not Applicable] *[give details]*

PROVISIONS RELATING TO DISSOLUTION

18. Optional Dissolution Right: [Applicable/Not Applicable]
[If not applicable, delete the remaining sub-paragraphs of this paragraph]
- (i) Optional Dissolution Amount of each Sukuk: [Final Dissolution Amount] or [●] per Calculation Amount
- (ii) Optional Dissolution Date: [Any Periodic Distribution Date] *[specify other]*
- (iii) Notice period: [●] *[if other than as set out in the Conditions]*
19. Change of Control Exercise Option: [Applicable/Not Applicable]
[If not applicable, delete the remaining sub-paragraphs of this paragraph]
- (i) Change of Control: [●]
[Where Change of Control Exercise Option is applicable, the definition of the Change of Control should be inserted here]
- (ii) Change of Control Exercise Period: *[[Condition 14(c) (Purchase and Cancellation of Sukuk — Redemption at the Option of the Sukukholders (Change of Control Exercise Option) applies)]/[specify other]]*
20. Final Dissolution Amount of each Sukuk: [●] per Calculation Amount [plus any accrued but unpaid Periodic Distribution Amount]
[specify other] [Applies to early redemption on Dissolution Event and redemption at Scheduled Dissolution Date]
21. Early Dissolution Amount (Tax) of each Sukuk (following early dissolution for tax reasons): [Final Dissolution Amount] [[●] per Calculation Amount] *[specify other]*

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/specify]
[Note that this item relates to the place of payment and not Return Accumulation Period end dates, to which item 16(v) relates]

PROVISIONS IN RESPECT OF THE TRUST ASSETS

24. Trust Assets: [Condition 6(b) (Trust — Trust Assets) applies] *[specify other]*

25. Portion of issuance proceeds to be used to purchase Commodities on the Issue Date: [●]⁶ [Not Applicable]
26. Portion of issuance proceeds to be used to purchase Shares on the Issue Date: [●]⁷ [Not Applicable]
27. Portion of issuance proceeds to be used to purchase Airtime Vouchers on the Issue Date: [●] [Not Applicable]
28. Portion of issuance proceeds to be used to purchase Lease Assets on the Issue Date: [●] [Not Applicable]
29. (i) Details of Transaction Account: [●] Transaction Account No: [●] [Series No.: 1/2/3 etc.] with [The Hongkong and Shanghai Banking Corporation Limited]
- (ii) Currency: [●]
30. Other Transaction Document Information:
- (i) Supplemental Declaration of Trust: Supplemental Declaration of Trust dated [●] between the Trustee, Axiata and the Delegate
31. Other final terms or special conditions: [Not Applicable/give details]

DISTRIBUTION

32. (i) If syndicated, names and addresses and underwriting commitments of Managers: [Not Applicable/give names]
- (ii) Date of Relevant Agreement: [●]
- (iii) Stabilising Manager(s) (if any): [Not applicable/give name]
33. If non-syndicated, name of relevant Dealer: [●]
34. Additional selling restrictions: [Not Applicable/give details]

RATINGS

35. Ratings: The Sukuk to be issued have been rated:
- [Moody's: [●]]
- [Standard & Poor's: [●]]
- [[Other]: [●]]
- (The above disclosure should reflect the rating allocated to Sukuk of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

⁶ Not to exceed 48% of issuance proceeds.

⁷ Not to exceed 50 per cent of the aggregate proceeds utilised to purchase any Shares, Lease Assets and Airtime Vouchers.

OPERATIONAL INFORMATION

- 36. (i) ISIN Code: [●]
- (ii) Common Code: [●]
- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (iv) Delivery: Delivery [against/free of] payment

OTHER INFORMATION

- 37. Use of Proceeds by Axiata: [General corporate purpose/other]

[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. [[●] has been extracted from [●]. Each of the Trustee and Axiata confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

SIGNED on behalf of
AXIATA SPV2 BERHAD

By:
Duly authorised

SIGNED on behalf of
AXIATA GROUP BERHAD

By:
Duly authorised

By:
Duly authorised

USE OF PROCEEDS

The Proceeds of each Series of Sukuk issued under the Programme will be applied by the Trustee pursuant to the terms of the relevant Transaction Documents to:

- (a) acquire Commodities to be sold to Axiata;
- (b) purchase Airtime Vouchers from Axiata;
- (c) purchase Shares from Axiata; and/or
- (d) rent Lease Assets from Axiata,

as specified in the Pricing Supplement for the relevant Series, such assets to form part of the Trust Assets for the relevant Series.

The Proceeds of each Series of Sukuk subsequently received by Axiata in consideration for the transactions entered into with the Trustee as set out in (a)-(d) above, as applicable, will be applied by Axiata for its general corporate purposes or, as the case may be, as set forth in the Pricing Supplement for the relevant Series.

CAPITALISATION AND INDEBTEDNESS

CAPITALISATION OF THE GROUP AS AT:

	Unaudited 30 June 2015	
	RM million	U.S.\$ million*
Indebtedness		
Current borrowings	2,415	638
Non-current borrowings	11,650	3,079
Total Indebtedness	14,065	3,717
Capitalisation		
Share capital	8,608	2,275
Share premium.....	2,491	658
Other reserves.....	10,109	2,672
Non-controlling interests.....	1,850	489
Total capitalisation	23,058	6,094
Total capitalisation and indebtedness	37,123	9,811

* 1USD:RM3.78400

There has been no material change in the capitalisation and indebtedness of the Group since 31 December 2014 except for a change in contingent liabilities of an associate of the Group as follows:

Income tax demands

During the financial period ended 30 June 2015, an associate of the Group received two demands from income tax authorities in respect of its income tax returns for the financial years 2008/09 and 2009/10 amounting to RM2,024.0 million (INR34,147.0 million) and RM379.8 million (INR6,408.0 million) respectively. The tax demands are mainly on the difference between fair value of investment made in Indus Towers Limited and net book value of the assets transferred to Idea Infrastructure Services Limited (a 100 per cent. subsidiary of the associate, which further through a scheme of merger was merged with Indus Towers Limited under a High Court approved scheme). The associate has filed an appeal against these demands at the Commissioner of Income Tax appeals.

CAPITALISATION OF THE TRUSTEE

As at the date of this Offering Circular, the Trustee has an authorised share capital of RM100,000.00 consisting of 100,000 ordinary shares of RM1.00 each and an issued and fully paid-up share capital of RM2.00 consisting of 2 ordinary shares of RM1.00.

The following table sets forth the Trustee's capitalisation as at 30 June 2015.

	<u>Unaudited</u>
	<u>RM</u>
Total indebtedness	—
Capitalisation	
Share capital	2.00
Share premium	—
Other reserve	(29,152,131)
Total capitalisation	<u>(29,152,129)</u>
Total capitalisation and indebtedness	<u><u>(29,152,129)</u></u>

The Trustee has no contingent liability or other indebtedness. There has been no material change in the capitalisation of the Trustee since 30 June 2015.

EXCHANGE RATES AND EXCHANGE CONTROLS

EXCHANGE RATES

On 1 September 1998, BNM introduced a series of exchange control measures aimed at ending speculation on the Malaysian Ringgit. One of these measures was the pegging of the exchange rate quotation of the Malaysian Ringgit to the U.S. dollar. As a result of the peg, the Malaysian Ringgit exchange rate against the U.S. dollar was set by BNM at RM3.80 to U.S.\$1.00 from 2 September 1998.

However, on 21 July 2005, the Malaysian Government removed the peg and allowed the exchange rate of the Malaysian Ringgit to operate in a managed float, with its value determined by economic fundamentals.

EXCHANGE CONTROLS

There are no restrictions on repatriation of capital, profits, dividends, interest, fees or rental by foreign direct investors or portfolio investors. However, in relation to remittances abroad, such remittance must be made in foreign currencies other than the currency of Israel, Serbia and Montenegro.

EXCHANGE CONTROL APPROVALS

Prior approval of BNM is required for the Trustee to obtain credit facilities denominated in a currency other than Ringgit exceeding RM100 million (or its equivalent in foreign currency) in aggregate on a corporate group basis. The Trustee has applied for approval on 7 June 2012 to issue the Sukuk denominated in a currency other than Ringgit under the Programme to residents and non-residents and the approval of BNM was granted on 9 July 2012.

HISTORY AND BACKGROUND OF THE GROUP

Axiata was incorporated in Malaysia under the Companies Act, 1965 of Malaysia on 12 June 1992, as a private limited company under the name of Telekom Malaysia International Sdn Bhd. It commenced business in 1994 as a division within TM, focusing on expanding the TM Group, primarily through mergers and acquisitions. On 16 October 2001, Axiata changed its name to TM International Sdn Bhd and on 12 December 2007, Axiata was converted into a public company limited by shares under the name of TM International Berhad. Axiata was listed on the Main Board of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) in Malaysia on 28 April 2008, and changed its name to Axiata Group Berhad on 31 March 2009.

The principal activities of Axiata are investment holding and the provision of technical and management services on an international scale where it has investments in subsidiaries and associates. The principal activities of the Group are the provision of mobile communication services, including voice and data services, and network transmission related services. The Group’s business is conducted through key operating subsidiaries that pursue strategies consistent with the Group’s strategic goals outlined in this Offering Circular and are tailored to the conditions of the particular regional markets in which they operate.

The Group, including its subsidiaries and associates, operates across 8 countries, servicing approximately 266 million subscribers as at 31 December 2014, which represented a 9.0 per cent. increase from 244 million subscribers as at 31 December 2013. This growth is attributed, in part, to a strong focus on subscriber acquisition in Cambodia, Sri Lanka and India as the Group expands and strengthens its footprint across Asia, with approximately 60 per cent. of the Group’s revenues for the financial year ended 31 December 2014 generated outside of Malaysia.

The Group has received numerous awards as a premier Asian telecommunications group, including receiving Best Telco Group of the Year for six consecutive years in the Frost and Sullivan Asia Pacific ICT Awards in 2009, 2010, 2011, 2012, 2013 and 2014 and Best Regional Mobile Group 2010 and 2011 in the Telecom Asia Awards. In 2011 the Group was also the only Malaysian company to make it on to Forbes Magazine Asia’s ‘Fab 50’ list.

Axiata’s corporate governance standards were recognised at the Malaysia-ASEAN Corporate Governance Index 2013 Awards, where Axiata was awarded Top 5 Overall Corporate Governance in Malaysia for the second year in a row.

KEY OPERATING SUBSIDIARIES

A brief corporate history of each of the Group’s key operating subsidiaries is set out below:

Celcom

TM acquired Celcom in 2003 before transferring 100.0 per cent. of the issued share capital of Celcom to Axiata on 25 April 2008. Celcom was incorporated in Malaysia on 5 January 1988 and commenced operations on 21 August 1989. Celcom effectively changed its name from Celcom (Malaysia) Berhad to its current name on 28 December 2009. The issued share capital of Celcom as at 30 June 2015 was RM1,237,534,681 of ordinary shares of RM1.00 each. Celcom was the first privately owned company in Malaysia to offer mobile services when it launched its “*ART 900*” analogue mobile system based on extended total access communications system (“**ETACS**”) in 1989. In 1995, Celcom became one

of the first operators in Malaysia to provide digital services through its GSM 900 network. Celcom currently operates 2G (GSM 900 and GSM 1800), 3G (W-CDMA 2100) and 4G (LTE 1800 and LTE 2600) mobile services and provides mobile telecommunications services in Malaysia under the brand name “*Celcom*”.

XL

XL was established in 1989 as a limited liability company under the laws of Indonesia. XL commenced operations in October 1996 and was the first private company to provide mobile telephony services in Indonesia. In January 2005 Axiata, through TM International (Labuan) Limited (“**TMIL**”) (now known as Axiata Investments (Labuan) Limited (“**AILL**”)), acquired the entire equity interest of Indocel Holding Sdn Bhd (now known as Axiata Investments (Indonesia) Sdn Bhd (“**AII**”)), which at the time held a 23.1 per cent. equity interest in XL. XL was listed on the Jakarta Stock Exchange (now known as the Indonesia Stock Exchange) in September 2005. Between 2005 and 2008, AII increased its stake in XL to 83.8 per cent. In December 2009, XL, through limited public offering, received net proceeds of IDR2,785,748 million for issuance of 1.418 billion new shares. Pursuant to such rights issue, AII increased its stake in XL from 83.8 per cent. to 86.5 per cent.. XL effectively changed its name from PT Excelcomindo Pratama Tbk to its current name on 16 November 2009. On 29 March 2010 and 9 April 2010 respectively, AII completed a private placement (including the over-allotment option) of 19.8 per cent. of the share capital of XL held by it and AII’s shareholding in XL was reduced to 66.7 per cent. of XL’s share capital. The equity interest in XL held by ALL was further diluted following the issuance of new ordinary shares under XL’s Shares Based Compensation Scheme/Long Term Incentive Program 2010 to 2015 (“**LTi Program**”). The final issuance reduced AII’s shareholding into 66.43 per cent.

XL operates 2G, 3G and 4G LTE (operating on GSM 900 MHz, 1800 MHz and 2100 MHz frequencies) mobile services and provides mobile telecommunications services in Indonesia under the brand name “**XL**”. XL also holds several licences, including closed regular network (leased line), internet service provider (ISP), Voice over Internet Protocol (VoIP), Network Access Point Service (NAP). XL has obtained an e-Money (electronic money) licence from Bank Indonesia, Indonesia’s central bank, which enables XL to provide remittance services to subscribers. Since May 2015, the 1,800 MHz frequency has been in the process of re-allocation to enable operators to have a more contiguous spectrum. The process is due to be completed in November 2015, following which XL will utilise 1,800 MHz for commercial 4G LTE services once the spectrum is declared technology-neutral. XL acquired Axis for USD865 million, using multiple sources of funds including a shareholder loan of USD500 million. The acquisition of Axis was completed on 19 March 2014 and Axis was merged with XL on 8 April 2014. Axis transferred all of its customers to XL; however, XL continues to operate the **AXIS** brand in conjunction with that of the **XL** brand.

Dialog

Dialog was incorporated in August 1993 and was established as a joint venture company in Sri Lanka pursuant to a joint venture agreement entered into between Axiata and Sunpower Systems (Private) Limited. Dialog commenced operations in January 1995. Dialog effectively changed its name from Dialog Telekom PLC to its current name, Dialog Axiata PLC on 7 July 2010. In November 1996, Sunpower Systems (Private) Limited divested its stake in MTN Group Ltd to Axiata, making Dialog a wholly-owned subsidiary of Axiata. Between 2005 and 2007, Dialog continued to expand through the strategic acquisitions of Dialog Broadband Networks (“**DBN**”) (then known as MTT Network (Private) Limited) which offers fixed-line and broadband services and Dialog Television (Private) Limited (then known as Asset Media (Private) Limited), which offers a direct-to-home satellite service, as well as Dialog Television Trading (Private) Limited (then known as CBN SAT (Private) Limited) and Communiq Broadband Network (Private) Limited.

Dialog is the largest mobile telecommunications service provider in Sri Lanka. Since its listing in July 2005, Dialog has become one of the largest listed companies on the Colombo Stock Exchange, representing 3.0 per cent. of the market capitalisation, and was the first company in Sri Lanka to achieve a market capitalisation of U.S.\$1 billion, which stood at SLR 85.5 billion as at 30 June 2015. The stated share capital of Dialog as of 30 June 2015 was SLR 28.1 billion (as per the unaudited consolidated financial statements of Dialog) of which, as at that date, the effective interest in Dialog held by the Group is 83.3 per cent. Dialog operates 2G (GSM 900 and GSM 1800), 3G (W-CDMA 2100) and 4G (FDD 1800 and FDD 2100) mobile services and provides mobile telecommunications services in Sri Lanka under the brand name “Dialog”.

Pursuant to its strategic acquisition objectives, DBN completed the acquisition of Suntel Ltd, previously a competitor in the fixed telephony and broadband sectors in Sri Lanka, in March 2012 and the merger of the respective operations was completed in May 2012. In May 2011, Dialog entered into a joint venture with Firstsource Solutions Ltd, an Indian listed pure-play BPO company global BPO services provider. The joint venture company is called Firstsource-Dialog Solutions (Pvt) Ltd (“**FDS**”) and manages Dialog’s customer contact management operations across its businesses. Dialog holds 26 per cent. of the shares in FDS. Dialog entered the digital commerce market through its acquisition of a 26 per cent. stake in Digital Commerce Lanka (Private) Limited (“**DCL**”) in December 2012. Following its investment into DCL, Dialog integrated its existing e-commerce businesses, iBuy.lk, MyTrader.lk TradeNet.lk and WoW.lk with DCL’s Anything.lk and re-branded and re-launched its WoW.lk site as the umbrella site for the DCL business. After gradually increasing Dialog’s stake in DCL, DCL became a wholly owned subsidiary of Dialog in September 2015. In August 2015, Dialog incorporated Digital Health (Pvt) Limited, a joint venture company with Asiri Hospitals Holdings PLC, to develop and operate state-of-the-art electronic commerce infrastructure within Sri Lanka’s health sector. Dialog holds 70.0 per cent. of the shares in Digital Health (Pvt) Limited.

Robi

Robi is a joint venture company between Axiata and NTT DoCoMo Inc. (“**NTT**”) of Japan. It commenced operation in 1997 as Telekom Malaysia International (Bangladesh) operating under the brand ‘Aktel’. In 2010, Aktel was rebranded to ‘Robi’ and the company changed its name to Robi Axiata Limited. Axiata owns 91.59 percent with the remaining 8.41 percent held by NTT. Robi’s issued share capital as at 30 June 2015 was BDT35.4 billion.

Robi’s services include 2G and 3.5G voice, CAMEL Phase II & III and 3.5G Data/GPRS/EDGE service with high speed internet connectivity. Robi has an advanced GSM network and provides international roaming coverage in 145 countries through 385 operators outside of Bangladesh. As of 30 June 2015, Robi’s network covers almost 100 per cent. of the Bangladesh population.

Smart

Smart is a limited liability company incorporated in Cambodia. After the initial acquisition of a 51.0 per cent. equity interest in Cambodia Smart Communication Company Limited (“**Casacom**”) in 1998, Axiata further acquired the remaining 49.0 per cent. of Casacom from Smart in February 2006. Effectively Casacom (subsequently renamed as Telekom Malaysia International (Cambodia) Company Limited) (“**TMI(Cambodia)**”) became a wholly-owned subsidiary of the Group. On 23 February 2010, TMI(Cambodia) changed its name to Hello Axiata Company Limited (“**Hello**”).

On 13 December 2012, Axiata Investments (Cambodia) Limited, a wholly-owned subsidiary of Axiata entered into a Share Sale and Purchase Agreement with Timeturns Holdings Limited (“**SPA**”) to acquire all the ordinary shares of Glasswool Holdings Limited, the owner of 100.0% of Latelz Co. Ltd (Latelz) (subsequently renamed as Smart Axiata Co. Ltd). Under the terms of the SPA, Hello

would sell its telecommunication business and assets to Latelz thereby resulting in the merger of Hello with Latelz as one combined entity on the completion of the acquisition. On 19 February 2013, the acquisition and the transfer of Hello's telecommunication business and assets were completed and Smart became a 90.0% owned subsidiary of the Group effectively.

Smart currently operates 2G (GSM 900 and GSM 1800), 3G (W-CDMA 2100) and, as of January 2014, became the first operator to provide 4G LTE (GSM 1800) mobile services in Cambodia.

Smart provides coverage in all 25 provinces in Cambodia and has over 7.1 million subscribers as of 30 June 2015 and is ranked as the number two mobile operator in Cambodia by subscribers.

Smart was named as Asia Pacific Emerging Market Telecom Service Provider of the Year 2015 by Frost & Sullivan. Smart was named the Best Telecommunications Company Cambodia 2015 and Best CSR Company Cambodia 2015 by Global Banking and Finance Review.

OTHER OPERATING COMPANIES AND STRATEGIC INVESTMENTS

A brief corporate history of the Group's other operating companies and strategic investments are set out below:

Idea

Idea is a public company (Idea Cellular Limited) that commenced operations in January 1997, and was subsequently listed on the Bombay Stock Exchange and the National Stock Exchange (of India) in March 2007. In March 2006, Axiata acquired the entire equity interest of Distacom Communications (India) Limited (now Axiata Investments 2 (India) Limited), which held a 49.0 per cent. equity interest in Spice, then a public company listed on the Bombay Stock Exchange and which offered mobile telecommunications services in two telecommunications circles in the Punjab and Karnataka states of India. Due to the issuance of shares by Spice as part of its listing, the Group's equity stake in Spice was diluted to 39.2 per cent. in July 2007.

On 13 August 2008, the Group acquired 14.99 per cent. of the enlarged issued and paid-up share capital in Idea. Pursuant to this arrangement, in October 2008, Axiata Investments 2 (India) Limited through Axiata Investments 1 (India) Limited increased its stake in Spice to 49.0 per cent. as a result of the mandatory general offer for Spice undertaken jointly by the Group and Idea, prior to the Spice-Idea merger. Spice ceased to exist pursuant to the Spice-Idea merger, which was completed on 17 March 2010, and Axiata's shareholding in Idea as of such date was 19.1 per cent. (or 19.0 per cent. on a fully diluted basis). On 5 August 2011, Axiata Investments 2 (India) Limited further acquired 0.9 per cent. of the issued share capital of Idea. As of 30 June 2015, the shareholding of the Group in Idea was 19.78 per cent., following the issuances of new ordinary shares under Idea's employee stock option scheme ("ESOS") and the Qualified Institutions Placement exercise carried out by Idea on 11 June and 24 July 2014, pursuant to which Axiata Investments 2 (India) Limited subscribed for shares under the Preferential Issuance. Idea operates 2G (GSM 900 and GSM 1800) and 3G (W-CDMA 2100) mobile services and provides mobile telecommunications services in India under the brand name "*!dea*" and had over 160 million subscribers as of 30 June 2015.

M1

M1 is a Singapore incorporated public company that commenced commercial operations in April 1997 and was listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") in December 2002. In September 2005, a joint venture and shareholders' agreement was entered into by SunShare Investments Ltd. (subsequently renamed Axiata Investments (Singapore) Limited), Khazanah, Axiata and TM to establish Axiata Investments (Singapore) Limited as a joint venture company for the acquisition of an equity interest in M1. Through a combination of off-market and on-market transactions, Axiata Investments (Singapore) Limited had acquired a 29.7 per cent. stake in M1 by March 2006. On 25 April 2008, Axiata Investments (Singapore) Limited became a wholly-owned

subsidiary of Axiata. The Group's equity interest in M1 as at 30 June 2015 was 28.33 per cent. of the share capital of M1 following the issuances of shares under M1's ESOS in recent years. M1 offers a full range of fixed, mobile voice and data communications services. M1 provides various fibre broadband services plans to residential homes and corporate customers and operates nationwide 2G (GSM), 3G (HSPA) and 4G LTE mobile services in Singapore under the brand name "M1". As of 30 June 2015, M1 had approximately 1.9 million wireless subscribers and 0.1 million fixed subscribers.

Multinet

In February 2005, TMIL (now known as AILL) entered into a share sale agreement to acquire a 78.0 per cent. stake in Multinet Pakistan (Private) Limited ("**Multinet**") from Nasser Khan Ghazi and Adnan Asdar Ali ("**AA**"). This stake was increased to 89.0 per cent. by the acquisition of a further 11.0 per cent. from Nasser Khan Ghazi in September 2006. Multinet offers a wide range of non-mobile telecommunications services in Pakistan, focusing on the business to business segment of the market. On 13 July 2010, AILL, a wholly-owned subsidiary of the Group, entered into an agreement with AA to dispose its 89.0 per cent. shareholding in Multinet to AA. However, as at 31 December 2013, the Group resolved not to divest its shareholding after reviewing the Group's overall business plan. Accordingly, the investment was reclassified as a subsidiary of the Group. As at 30 June 2015, the Group's equity interest in Mutlinet was 89.0 per cent.

edotco

edotco Group (**edotco**) is an integrated telecommunications infrastructure services company established in October 2012 and the first regional tower services provider in Asia. edotco manages over 14,000 towers across Malaysia, Sri Lanka, Bangladesh and Cambodia, and 12,000 km of fibre in Pakistan. edotco's core business function is the provision of telecom infrastructure solutions but it also provides end-to-end solutions in the tower services sector including co-locations, built-to-suit, energy, transmission and operations and maintenance.

BUSINESS OF THE GROUP

OVERVIEW

The Group is one of the largest mobile telecommunications operators in Asia by subscribers, with operations in 8 countries across the Asia region and a focus on continued high growth in emerging markets across Asia. As of 31 December 2014, the Group (including through its associates) had a mobile customer base of approximately 266 million subscribers, an increase from approximately 244 million subscribers as of 31 December 2013 and 205 million subscribers as of 31 December 2012.

The Group has controlling interests in mobile communications operations in Malaysia, Indonesia, Sri Lanka, Bangladesh and Cambodia as well as significant strategic stakes in India and Singapore. In addition, the Group has a stake in non-mobile telecommunications operations in Pakistan. Its subsidiaries and associates in the mobile telecommunications sector operate under the brand names “*Celcom*” in Malaysia, “*XL*” and “*AXIS*” in Indonesia, “*Dialog*” in Sri Lanka, “*Robi*” in Bangladesh, “*Smart*” in Cambodia, “*Idea*” in India and “*MI*” in Singapore. The Group also has two other subsidiaries acting outside of the mobile telecommunications sector, “*edotco*” which provides communications infrastructure solutions and services across the Group’s footprint; and “*Multinet*” a leading independent telecommunications solution provider in Pakistan, operating a nationwide optical fibre cable network, connecting the major cities across Pakistan.

The Group’s business is currently centred in five key operating subsidiaries as set out in the table below:

Operating Company	Market in which it operates	Equity interest held by the Group as at 30 June 2015 (%)	Percentage of contribution to operating revenues for the financial year ended 31 December 2014 (%) [#]
Celcom	Malaysia	100.00	41.31
XL	Indonesia	66.43	34.61
Robi.....	Bangladesh	91.59	11.14
Dialog.....	Sri Lanka	83.32	9.01
Smart.....	Cambodia	84.99	3.14
Others.....	—	—	0.79

The following table shows certain information relating to the Group’s revenue, earnings before interests, tax, depreciation and amortization (“**EBITDA**”) and profit after tax and minority interests (“**PATAMI**”) extracted from the audited financial statements of the Group for the financial years ended 31 December 2013 (including restated comparatives of 2012) and 2014 and the unaudited consolidated financial statements for the six months financial period ended 30 June 2015.

	Financial Year Ended			Six Months Period Ended		
	31 December 2012	31 December 2013	31 December 2014	31 December 2014	30 June 2015	USD million**
	RM million	RM million	RM million	(Unaudited Restated) RM million	RM million	
Revenue...	17,652	18,371	18,712	18,712	9,458	2,601
EBITDA*.	7,424	7,271	6,999	6,999	3,456	950
PATAMI ..	2,513	2,550	2,349	2,365	1,196	329

Percentage of contribution to operating revenue is calculated based on the operating revenue of each key operating subsidiaries before inter-segment revenue over the total operating revenue of the Group.

* Adjusted EBITDA is not a uniformly or legally defined financial measure. The Group defines adjusted EBITDA as net profit/(loss) before tax, interest expense/(income), depreciation, impairment and amortisation, other operating income/(expenses), foreign exchange gains/(losses), gain/(loss) on dilution of equity interests and share of results of associates and joint ventures. Adjusted EBITDA is presented because the Group believes it is a widely accepted financial indicator on an entity's ability to incur and service debt. Adjusted EBITDA should not be considered by an investor as an alternative to net income or income from operations, or as an indicator of the Group's operating performance or other combined operations or cash flow data prepared in accordance with generally accepted accounting principles, or an alternative to cash flows as a measure of liquidity or any measures of performance derived in accordance with Malaysian GAAP. The computation of adjusted EBITDA herein may differ from similarly titled computations of other companies.

** USD1:RM3.63654

The following table shows certain information relating to the Group's capital expenditure ("CAPEX") extracted from the audited financial statements of the Group for the financial years ended 31 December 2013 (including restated comparatives of 2012) and 2014 and the unaudited consolidated financial statements for the six months financial period ended 30 June 2015.

	Financial year ended			Six Months
	31 December 2012	31 December 2013	31 December 2014	Period ended 30 June 2015
	Restated RM million	RM million	RM million	RM million
CAPEX.....	4,725	3,993	4,017	2,284 ¹

¹ CAPEX excluding non-cash assets exchange transactions amounting to RM238.3 million.

The following table shows certain information relating to the Group's market capitalisation as at 31 December 2012, 2013 and 2014, and as 30 June 2015.

	As at			
	31 December 2012	31 December 2013	31 December 2014	30 June 2015
	RM billion	RM billion	RM billion	RM billion
Market Capitalisation....	56.1	58.9	60.5	55.2

COMPETITIVE STRENGTHS

The Group believes that it is well positioned for future growth due to the following competitive strengths:

Regional champion and amongst the largest telecom operator groups in Asia and globally

Serving 266 million people in 8 countries across the region, the Group is ranked as the fifth largest telecommunications group in Asia and ninth largest telecommunications group globally based on total number of subscribers. The Group's regional focus on South Asia and Southeast Asia provides the Group with a potential market of approximately 1.8 billion people.

The Group's scale in the region provides multiple benefits to each of the individual operating companies. These benefits include the standardisation and harmonisation of the Group's interactions with third party suppliers, including network equipment providers, through the use of the Group's "Strategic Sourcing and Category Management", resulting in improved cost reductions and cost avoidances. In addition, the Group's scale enables it to be a strategic partner of choice across South Asia and Southeast Asia for operators and OTT companies amongst others.

The Group maintains substantial controlling stakes in each of Celcom, XL, Robi, Dialog and Smart, the Group's key operating companies, with significant minority positions in M1 and Idea. This enables the Group to influence the direction or operation of operating companies to ensure a coherent Group strategy through Board representatives and the appointment of key management within the operating companies.

Balanced portfolio of assets consisting of fast-growing operations across South Asia and Southeast Asia and focused strategic growth initiatives, anchored by strong cash-flow generative mobile operations in relatively mature markets

The Group controls a portfolio of assets focused on the provision of mobile telecommunications services within the fast growing markets in the South Asia and Southeast Asia, a number of which, such as Cambodia, India, Bangladesh, Sri Lanka and Indonesia, still present opportunities for growth in terms of service adoption as increasingly sophisticated subscribers seek improved technology and services such as mobile data. The Group believes that it is well positioned to benefit from population growth, economic development and increased demand for mobile telecommunications and data services in these markets. In addition, the Group also seeks future growth through its strategic initiatives, including its telecommunications infrastructure business, edotco. The Group's portfolio is anchored by Celcom in Malaysia and its minority investment in M1 in Singapore. Malaysia and Singapore are considered more developed markets and provide steady cash flows that can be deployed to support the Group's operations in high growth emerging markets as well as strategic growth initiatives.

The Group adopts an active portfolio management approach, including the periodic evaluation of divestments relating to the Group's non-core assets. For example, in 2014, the Group disposed of its entire stake in Samart i-Mobile Public Company Limited, a Thai associate company and provider of instant wireless information services and mobile content, along with the distribution of mobile phones and accessories. In addition, the Group prudently evaluates and pursues strategic in-country consolidation opportunities which enhance the Group's competitive position and capabilities. The Group believes that its current portfolio of growth businesses will mature and generate steady cash flows for the Group as the markets or industries that they operate within develop and mature in the future. In the medium term, the Group believes its operations in Indonesia, Sri Lanka and Cambodia, as well as edotco, will contribute to the Group's cash-flow generation.

Strong competitive position providing growth potential within the South Asia and Southeast Asian region

The Group believes that it has strong competitive positions in many of the regional markets in which it operates. By subscriber market share, Celcom, XL, Dialog, Robi, Smart, Idea and M1 are amongst the largest mobile operators in their respective markets. In addition, many of the Group's companies have long operating track records and were either the incumbent mobile service providers or have been at the forefront in delivering certain key services, such as mobile broadband, in their respective markets.

The Group believes it provides a competitive offering and a high level of service within each of the regional markets that it operates in. Both the Group and its individual operating companies have received multiple awards recognising their service, including: Axiata winning Best Telecom Group at the Frost & Sullivan 2014 Asia Pacific ICT Awards for six consecutive years; Axiata winning multiple awards at the Malaysian-Asean Corporate Governance Index 2014 Awards, including “Top 5 Corporate Governance — Overall Recognition”, “Exemplary Environmental, Social and Governance Practices” and “CEO of the Year”; Axiata being awarded “Best Sustainability Report, Runner-up” at the ACCA Malaysia Sustainability Reporting Awards 2014; Celcom winning Malaysia’s Best Customer Experience in Telecom at the Frost & Sullivan Malaysia Excellence Awards in 2014; and XL winning Best Emerging Markets Carrier at the Telecom Asia Awards in 2014.

Ability to deliver enhanced technology and innovative products and services consistently

The Group’s operating companies have demonstrated their ability to consistently deliver innovative products and services to their markets, allowing the Group to compete effectively in a rapidly developing mobile telecommunications market. In recent years, there has been a noticeable shift towards data in the markets in which Axiata operates. The Group has experienced strong growth in data revenues across its footprint markets. For example, smartphone penetration in Malaysia has increased from 32 per cent. as of 30 June 2014 to 55 per cent. as of 30 June 2015, whilst Indonesia has seen a corresponding increase in smartphone penetration from 17 per cent. as of 30 June 2014 to 36 per cent. as of 30 June 2015. The Group’s investment in new technologies has seen it migrating from 2G to 3G service and recently from 3G to 4G LTE to provide improved user experiences by catering for users’ demands for increased data whilst improving cost efficiencies within the Group. Celcom, Dialog and Smart are already able to provide ultra-high speed broadband to users via their 4G LTE networks. In October 2014, XL became the first mobile operator in Indonesia to test its 4G LTE spectrum, achieving a connection speed of up to 100 Mbps. As of 30 June 2015, XL’s 4G LTE footprint consisted of 232 sites across eight areas/cities consisting of Medan, Bogor, Jogjakarta, Lombok, Surabaya, Bandung, Bali and Jakarta. XL believes the investments designed to upgrade and modernise its network, will deliver improved stability, network capacity and improved services for both voice and data and enable XL to offer 4G LTE packages to meet customer demands.

Celcom started installing its 4G LTE network in 2013 after obtaining its LTE licence from the Regulator. It has made substantial investments in its LTE network and development with the aim of being Malaysia’s number one operator in the provision of data services. Celcom is increasing its LTE coverage nationwide and focusing on delivering faster speeds than its competitors to help differentiate Celcom in the high value customer segment of the market. Celcom plans to add an additional 2,300 LTE sites to its network by the end of 2015 which will increase the LTE population coverage to 56 per cent. and providing a headline speed of up to 375Mbps. Celcom has consistently delivered cutting edge products and services, including the launch of exclusive innovative services for business users and international travellers.

Dialog and Smart were the first telecommunications operators to offer consumers 4G LTE services in Sri Lanka and Cambodia, respectively.

Consistent with its commitment to deliver innovative services to its customers, all key operating subsidiaries offer service “bundles” to their subscribers. For a fixed price, subscribers can access voice, Short Message Service (“SMS”) and data services (subject to fixed usage caps), providing a convenient, manageable billing option.

Bundling is also a key revenue management tool for the Group, as it reduces the risk associated with variations in usage of different services experienced by pay-per-use services. The recent trend towards decrease in SMS service usage has been associated with the increase in data usage, as subscribers use data to access social networking applications as a means of communicating. The Group will continue to develop bundles that are attractive to the different segments and markets that the operating subsidiaries service and that continue to cater for the changing needs of subscribers as the subscriber base grows, particularly with respect to data users.

Data has emerged as the key growth driver of the Group's business and data growth has been strong across all its subsidiaries and is now a material part of revenue, particularly in its more mature markets. The Group's operating companies have demonstrated their ability to monetise the increased demand for data by customers across key markets including Malaysia, Indonesia and Sri Lanka, over the last two years. Celcom's data revenue as a percentage of total revenue has increased from 16 per cent. as at 30 June 2013 to 27 per cent. as at 30 June 2015, whilst XL has experienced a similar trend with an increase from 17 per cent. as at 30 June 2013 to 26 per cent. as at 30 June 2015. Dialog's data revenue contribution increased from 8 per cent. as at 30 June 2013 to 17 per cent. as at 30 June 2015.

Evolving beyond the traditional retail-focused telecommunication model into digital services and telecommunication infrastructure services

The Group established edotco Group ("**edotco**") as an integrated telecommunications infrastructure services company to provide amongst others, telecommunications infrastructure, energy and operations and maintenance services within South Asia and Southeast Asia. edotco delivers significant operational efficiencies to the Group, including reduced capital expenditure on tower infrastructure, reduced timelines on tower delivery, reduced energy costs and overall operational efficiency.

As at 30 June 2015, edotco manages over 14,000 towers across Malaysia, Bangladesh, Sri Lanka and Cambodia including 12,000 km of fibre in Pakistan. On 2 October 2015, edotco entered into a share purchase agreement with Digicel Group Limited to acquire 75 per cent. equity stake in Digicel Asian Holdings Pte Ltd ("**DAH**") based on an enterprise value of USD221 million on a cash free debt free basis. The acquisition is subject to approval from the government of the Republic of the Union of Myanmar, Bank Negara Malaysia and the consent of YSH Finance Limited, the minority shareholder of DAH. Upon completion, edotco's tower portfolio will increase by 1,250 towers.

The Group established its digital services arm, Axiata Digital Services ("**ADS**") in 2012 to enable Axiata to compete with OTT service providers and to address increased demand for online content from customers. ADS utilises Axiata's existing core assets to enhance its effectiveness in developing markets whilst providing Axiata with the knowledge and business services necessary to transition into a next generation telecommunications provider and OTT business.

In 2014, the Group, led by ADS, launched a RM100 million venture capital fund to grow the number of innovators in the country in conjunction with Malaysia Venture Capital Management Bhd. ADS also participates and supports digital innovation initiatives such as Mobile Internet & Fulfillment Exchange ("**MIFE**") and WS02.TELCO. MIFE is Axiata's own application programme interface platform, designed to assist Axiata's operating companies leverage digital opportunities across the Group, based on WS02 middleware technology. WS02.TELCO is a joint venture vehicle targeting the telecommunications industry for the distribution of MIFE and other WSO2-related technology and services to mobile network operators. Such initiatives by ADS aim to keep the Group at the forefront of digital developments.

Ability to develop and enhance synergies across operating companies and implement Group-wide strategies

The operational challenges and opportunities faced by each of the Group's operations are similar and therefore the Group believes that its knowledge and experience can be leveraged across its operations to enhance the Group's performance and operational efficiencies. An example of this is the Group's commitment to setting up Group centres of excellence in core areas within the Group, such as pricing practices, with a view to improving the standards of best practice across key operating companies and associated companies.

The Group believes that it can improve its procurement performance via the Axiata Procurement Centre ("APC"). The APC utilises strategic sourcing, category management and spend analysis for the acquisition of network equipment and infrastructure to achieve lower capital expenditures per unit and enhance individual operations through the sharing and application of knowledge and telecommunication best practices, particularly through the Group's management rotation and other talent management efforts.

With the implementation of the APC, the Group has standardised its expenditure outlay across the network and realised cost reductions and cost avoidance. The streamlined process allows the Group to benefit from economies of scale, oversight on spending and the introduction of a more advanced sourcing process. The APC also covers Information Technology ("IT") expenditure. The APC has overall responsibility for procurement systems, policies and processes. The Group has also been able to make improvements to its technology and business processes by leveraging on expertise across other operations. Areas where the Group is in the process of enhancing synergies across its operating companies include networks, IT, sales and marketing and the launch of new products and businesses.

The Group implemented a Group wide talent management programme designed to benefit all operating companies through the identification and retention of high-potential candidates. This centralised approach allows the Group to achieve consistent employee development across the Group and to transition talent from one operating company to another as required.

The Group believes its spread of operating companies with different maturity levels and levels of telecommunication systems advancement allows it to benefit from the transfer of knowledge and experience gained in one market to another. In particular, the growth of data driven services has allowed the Group to use its knowledge and experience in delivering digital services to customers. For example, ADS is able to utilise the Group's customer data to deliver directed digital advertising, to benefit from Axiata as a trusted brand to link payment processing with Mobile Money and to promote affiliations between operating companies' individual loyalty programmes and other electronic loyalty programmes. The Group's ability to implement Group-wide initiatives and strategies to realise the benefits of possible synergies in its key operating subsidiaries is enhanced by its majority shareholding in the companies and its representation in the Boards of Directors of each of these companies.

Strong brand equity in the Group's markets

The Group's operating companies have strong competitive positions and have developed strong brand identities in their respective markets, particularly in Malaysia, Indonesia, Sri Lanka, Bangladesh, Cambodia, India and Singapore. The Group believes that brand names, such as "Celcom", "XL", "Dialog", "Robi", "Smart", "Idea" and "MI" are well-known and recognised in their respective markets and play a critical role in subscriber acquisition and retention across all principal product segments. The Group's brands and their attributes are key to differentiating the Group's products from those of existing and new competitors.

Following XL's integration of Axis, the AXIS brand was re-launched and marketed as a brand that delivers value-for-money voice, SMS and internet services. The Group intends to retain the XL brand in conjunction with the AXIS brand, enabling a dual brand strategy within Indonesia, in which XL will focus on high-value, advanced data consumers whilst the Group uses AXIS to pursue budget-conscious data consumers. The dual brand strategy enables XL to position itself well to attract consumers across the whole spectrum.

Over the years, the Group has invested heavily in the building of its brand names such as "*Celcom*" and "*Dialog*" through planned advertising and promotions, centred around a commitment to providing high quality and innovative communication services that anticipate and meet subscribers' needs. The Group believes that its strong market position, operating track record and strong brand recognition position it well to continue capturing opportunities for growth in its target markets. In addition, in June 2009, the Group reinforced the strength of certain individual brands in the Group and the cohesion of the brand identity of the Group as a whole, by increasing the alignment of operating company brands with the Group's brand, through the incorporation of the "Axiata prism" into the "*Celcom*", "*Dialog*", "*XL*", "*Robi*" logos and subsequently into the "*Smart*" logo in 2013.

Extensive network coverage and effective distribution network

The Group believes that its extensive network coverage and numerous distribution outlets in its respective operating markets have enabled it to compete successfully in mobile telecommunications services markets, particularly in Malaysia, Indonesia, Sri Lanka, Cambodia and Bangladesh. The Group believes that it also caters for the increased data demands of consumers through the increased number of 3G and 4G (where relevant) Base Transceiver Stations ("**BTS**") in its network. The Group is also pursuing alternative distribution channels to increase the Group's competitiveness, which will offer prepaid consumers easier access to reload purchases. Such alternative distribution channels offer the Group potential savings as against traditional distribution channels in the form of reduced operating expenditure and increased control over the distribution channel. In Malaysia, Celcom operates a nationwide mobile network with 12.3 million subscribers as of 30 June 2015, providing network coverage in Malaysia of approximately 95 per cent. for 2G and approximately 85 per cent. for 3G and LTE coverage of 56 per cent. by end of 2015.

Through its network of roaming partners, Celcom offers international roaming services in more than 200 countries through 582 networks worldwide with 39 countries offering 4G LTE services. Celcom's distribution network consists of over 17,650 outlets for prepaid services as of 30 June 2015. Celcom has strengthened its distribution network through alternative distribution channels such as KK Super Mart and 7-Eleven. These alternative distribution channels provide Celcom's consumers with increased reload destinations nationwide. The growth in Celcom's alternative distribution channels has seen online reload purchases increase by 13 per cent. as of 30 June 2015 as compared to 31 December 2014. Furthermore, in 2015, 6 key accounts covering 731 outlets nationwide have started selling the Xpax prepaid starter pack to consumers.

XL has 46.0 million subscribers as of 30 June 2015. XL operates a nationwide mobile and 3G network and its own fibre optic network of over 29,000 km across Indonesia. XL also has high capacity microwave transmission links covering Kalimantan, Sumatra, Sulawesi, Bali and Lombok and a submarine cable linking Java, Bali, Nusa Tenggara, Sumatra, Sulawesi and Kalimantan. XL's products in Indonesia are widely distributed through XL Centres and XL Centre outlets and through its network of distributors. XL has undertaken promotions with its distribution network including channel operators such as 7-Eleven to boost customer retention and reload usage. XL's use of alternative distribution channels through XL Tunai, has seen its share of online reload purchases increasing from 0.2 per cent. as at 31 December 2014 to 13 per cent. as at 30 June 2015.

As of 30 June 2015, XL's network covered more than 90 per cent. of the population throughout Indonesia. XL provides network coverage in Indonesia of approximately 90 per cent. for 2G and approximately 50 per cent. for 3G. Over the last three years, XL has increased its share of 3G Node BTS from 26 per cent. as at 30 June 2012 to 32 per cent. as at 30 June 2015 whilst increasing the total number of BTS from 33,737 to 54,550. As of 30 June 2015, XL's 4G LTE network consisted of 232 sites within eight areas of Indonesia.

Dialog's mobile network has a wide reach in Sri Lanka, covering approximately 97 per cent. of Sri Lanka's population as at 31 December 2014 (including those living in post-civil war liberated areas). Its distribution network in Sri Lanka consists of its retail outlets and service centres as well as a business partner network. Dialog continues to be the leader in mobile telecommunications with 43 per cent. mobile subscribers market share as at year ended December 2014, and was the first operator in South Asia to launch the 4G LTE Technology Trial utilising 2100 MHz. Dialog provides network coverage in Sri Lanka of approximately 97 per cent. for 2G and approximately 74 per cent. for 3G.

Robi's mobile network, incorporating voice and high speed internet in Bangladesh extended to approximately 98 per cent. of the country's population as of 31 December 2014. Robi's distribution network in Bangladesh consists of its own retail outlets, customer service centres as well as a business partner network. Robi's network covers all 64 districts of Bangladesh.

With a revenue market share of 17 per cent. and over 150 million subscribers, Idea is a top three mobile operator in India as of 31 December 2014. Idea offers 2G and 3G services to consumers across India and has 4G LTE spectrum in major markets. Idea offers coverage in over 354,000 towns and villages through a network of 137,675 2G and 3G cell sites. Idea's network of service centres includes over 6,120 exclusive Idea stores.

M1 provides mobile and fixed services to close to 2 million subscribers in Singapore. M1 has achieved many firsts, including the first operator to offer nationwide 4G services, as well as ultra high-speed fixed broadband, fixed voice and other services on its Next Generation Nationwide Broadband Network in Singapore. In addition to M1's nationwide presence of outlets providing customers products and services, M1 has a number of exclusive distributors, which hold roadshows at shopping malls, migrant worker dormitories and participate in consumer technology events.

The Group's strong distribution networks, supported by wide mobile network coverage, are key competitive advantages to attract and retain subscribers and also serve as an important distribution channel for ADS' digital offerings.

Backed by marquee institutional investors

The Group benefits from having large institutional investors, with Khazanah Nasional Berhad, the strategic investment fund of the Government of Malaysia as the single largest investor in the Group with a shareholding of 38.6 per cent. as at 30 June 2015, followed by the Employees Provident Fund Board, a social security institution in Malaysia, holding 13.6 per cent through the Citigroup Nominees (Tempatan) Sdn Bhd. Lastly, Amanah Raya Nominees (Tempatan) Sdn Bhd — Skim Amanah Saham Bumiputera, one of the unit trust fund portfolios under Permodalan Nasional Berhad, Malaysia's biggest fund management company, held 10.2 per cent. shareholding. As at 30 June 2015, Axiata had a foreign shareholding of 18.4 per cent.

The Group believes that the presence of large institutional shareholders provides the Group with the stability and ability to pursue strategic initiatives designed to strengthen the Group in the medium to longer term.

GROUP STRATEGIES

The Group's immediate aim is to position itself as the leading regional mobile telecommunications provider, becoming a regional champion with a sustainable holistic approach to sustainability, whilst in the long term, it aims to become a mobile data leader and transition into a "New Generation Telco" by 2020.

The Group believes that it can become a Regional Champion through achieving (i) the “Best Financial Performance” in an increasingly competitive industry; (ii) implementing “World-Class Processes” from Governance to IT networks across the Group; (iii) fostering an environment known for being a “Top Employer/Talent Factory” capable nurturing future leaders; and (iv) delivering educational benefits to students as a “Top National/Social Contributor”.

The Group’s long-term strategy to become a “New Generation Telco” is based on the following five pillars:

1) ***Transform the core***

The Group aims to become the most attractive and used highway for mobile internet by following four paradigms: (i) be an early innovator and subsequently leader to develop the mobile data market; (ii) build sufficient data capacity and ensure adequate data throughput speeds in key traffic hotzones with an economically optimal mix of technologies; (iii) build up data coverage in rural areas through a combination of own network rollout and network sharing partnerships, to ensure that wireless internet access is widely available whilst delivering reasonable economic returns; and (iv) focus on measures to drive down data costs and pursue leadership in data production efficiency, to ensure sustainability of the mobile data business and economic returns. In addition, the Group will focus on digitising its core business to ensure that it caters to the needs of its customers as the use of mobile internet continues to expand.

2) ***Expand the core***

The growth of mobile internet will provide further growth opportunities for the Group’s adjacency businesses which the Group will seek to capitalise on the growth of mobile internet, through exploring new opportunities including: (i) pursuing new growth for the Group’s supporting businesses by carving them out and driving additional shareholder value; (ii) supporting the Group’s core wireless business through partnerships with OTT players and differentiating the Group’s core wireless offerings alongside the Group’s OTT partners; (iii) capturing growth opportunities close to the Group’s core business in areas such as Internet-of-Things (“IoT”) and Machine-to-Machine (“M2M”) or mobile payment where the new services can utilise the Group’s wireless network; and (iv) focusing on digital businesses where the Group can add value through leveraging its sales networks or through access to the Group’s infrastructure and platforms.

3) ***Build robust and sustainable business portfolio***

The Group will continue to pursue in-country consolidation where viable, make small investments in digital services to acquire necessary capabilities and make strategic investments within South Asia and Southeast Asia, where financially justifiable.

4) ***Execute cost management initiatives***

The Group aims to achieve data profitability which will require continuous and diligent cost efficiencies and timely go-to-market strategies. In order to implement this, the Group will actively recalibrate its cost structure and leverage its multi-country regional presence through the Group’s centralised procurement function and the Group’s centralised treasury function. The Group will also drive value creation through cooperation and carrier collaboration initiatives and will continuously optimise its passive assets via tower sharing, infrastructure consolidation and collaboration with other industry players, such as its infrastructure business through edotco.

5) ***Optimise key enablers***

The Group will focus on the optimisation of its key enablers to its overall strategy being, (i) optimised synergies across the Group; (ii) improved IT systems; (iii) shared best practices; and (iv) new business models.

Further improvement of operational synergies; focus on cash flow and profitability through efficient capital management and capital expenditure efficiency

- *Drive operational synergies among the Group's operating companies.* The Group's corporate centre aims to support and facilitate the execution of the Group's strategies and drive both revenue and cost synergies among its operating companies. The Group plans to increase the revenue and cost synergies through increased collaboration and best practice sharing among its operating companies and associates. Specifically, the Group believes further revenue synergies may be derived from roaming initiatives and the development of innovative products and services which will facilitate traffic within the Group's network or within its operating companies. The Group also believes that the increasing breadth of its multiple networks will facilitate increased cross-selling opportunities and has pursued this growth strategy by continuing to grow its assets outside of Malaysia. On the cost side, the reorganisation of procurement operations into a centralised business unit for the whole Group, continues to progress. The APC focusing on optimising the Group's Network and IT expenditure, entered into strategic framework arrangements with key network suppliers namely Ericsson, Huawei, NOKIA, NEC Corporation and SIAE Microelettronica. The agreements will enable the Group and its subsidiaries to realize business efficiencies and competitive advantage by optimising its demand and capitalising on group-wide terms and conditions.
- *Leverage operational efficiency and actively focus on cash flow and profitability through cost management in the individual operating companies.* The Group intends to actively manage costs and maximise margins in low ARPU environments. The Group believes that its continued focus on cost improvement initiatives and development of operational excellence, including best practice sharing, throughout its portfolio of operating companies will help it maximise profitability in the developing markets in which it operates. Areas where the Group believes cost savings can be made include improved cost structures in sales and marketing, human resources costs and network-related costs. The Group intends to drive data volume significantly to reach a critical mass to negate the cost implications of lower margins associated with the provision of data services and to ensure long term improvement in margins. Also, the Group will focus on driving further cost efficiencies through infrastructure sharing with third parties. This strategy will also assist to reduce capital outlay by the Group via cost-sharing with collaborators.
- *Efficient management of costs of capital.* Consistent with a focus on cost management, the Group will continue to focus on the efficient management of cost of capital, in particular, cost of debt. The Group will continue to pursue and assess debt optimisation opportunities (subject to market conditions) as a means of managing costs and balancing the growth in respective operating subsidiaries in pursuit of their data network strategies. This will include the Group exploring other sources of funding including equity and hybrid instruments.
- *Increase operational efficiencies through network-sharing with other providers.* With the rapid growth in demand for data, the Group continues to search for innovative, cost-effective means of enhancing its data capabilities. The Group is at the forefront of the industry with respect to working with other operators in terms of network sharing to reduce costs and provide adequate service to keep pace with customer demand. In markets where there is an active telecom tower market, such as Indonesia, the Group also works closely with the independent tower operators to outsource infrastructure requirements. The Group has implemented a network sharing arrangement in Malaysia and will continue to seek out suitable network providers across the operating companies to maximise its ability to provide data services. The Group's investment in edotco has resulted in improvements in operational efficiency and capital expenditure savings on both structures and energy across all countries in which edotco operates and the Group will continue to seek potential opportunities to increase efficiency through edotco's operations. Network sharing is implemented across the Group to reduce network operating costs and infrastructure expenditure.

- *Capital structure and target financial ratios:* The Group undertakes periodic reviews of its capital structure to ensure consistency with its financial strategy. This includes the Group maintaining a target gross debt to EBITDA ratio below 2.5.
- *Disciplined investment approach:* the Group utilises due diligence procedures in conjunction with internal checks and balances to ensure that new investments represent long term strategic value for the Group.

Consolidate and strengthen the Group’s portfolio through selective acquisitions and partnerships in mobile telecommunications markets in South Asia and Southeast Asia and divestment of non-core businesses

- *Expand the Group’s footprint in target markets.* The Group continues to focus on expanding its footprint into the South Asia and Southeast Asia mobile markets, both organically and inorganically. From inorganic growth, the Group’s strategy prioritises in country consolidation opportunities, within the market where it already has a presence. The Group believes that such a strategy provides for long term stability and sustainability within a market as it promotes growth and consolidation, which provide greater cost savings via scale and synergies. In addition, the strategy also enables the Group to enhance the breadth and depth of its talent pool. For instance, the acquisition of Axis by XL enabled XL to advance its position within the Indonesian telecommunications market and acquire 1800 MHz spectrum which, subject to regulatory developments, could enhance XL’s 4G LTE capabilities. Hello’s merger with Smart (formerly known as Latelz) in Cambodia resulted in the second largest wireless telecommunications company by total number of subscribers as at 30 June 2015 in Cambodia and provided Smart with enhanced capabilities to compete against the current wireless market leader. The Smart merger also provided the Group with the opportunity to invite members of the Latelz management team to join the Group’s management team.
- *The Group will also consider new footprint opportunities, within its target market, on a very limited and selective basis.* The Group will only explore new opportunities if they (i) offer a balanced portfolio with a combination of good growth, stable dividend yield, and Return on Investor Capital (“ROIC”) focus; (ii) satisfy the Group’s due diligence process; (iii) meet the Group’s investment evaluation criteria; and (iv) do not negatively impact the Group’s debt profile.
- *New Business Model.* The Group increased its focus on new business opportunities outside its traditional telecommunication industries acquisitions, for example, infrastructure sharing and digital services. The Group takes a more prudent approach to assessing opportunities outside its core telecommunication industry. To further manage risk in new ventures, the Group has utilised partnerships with other telecommunications and technology companies to benefit from existing capability and knowhow to complement the Group’s business and to enhance shareholder value. For example, ADS’ strategic partnership with Adknowledge International, Inc, has enabled ADS to advance its position in the digital advertising space and the Group’s eCommerce joint venture with SK Planet has enabled the establishment of digital commerce platforms in Malaysia (www.11street.my) via Celcom and Indonesia (Elevenia) via XL.
- *Divestment of non-core businesses.* In line with the Group’s commitment to its primary business of mobile communications and being a leader in mobile data, on 30 July 2014, the Group completed the disposal of its entire stake in Samart i-Mobile Public Company Limited, a Thai associate company and provider of instant wireless information services and mobile content, along with the distribution of mobile phones and accessories. The Group also exited its investment in Mobile Telecommunications Company of Esfahan on 2 January 2013. The Group will continue to consider opportunities to divest businesses and assets, which do not form part of the Group’s core business and future strategy.

Developing a Global Top Five telecommunication infrastructure operator through edotco

- *Consolidation of existing passive infrastructure assets in Axiata’s wireless telecom footprint markets:* edotco will continue to acquire passive telecommunication infrastructure assets from the Group’s operating companies across the Axiata network at a managed pace, taking into account the regulatory requirements in each of the countries in which the Group operates.

- *Acquire passive infrastructure assets in Asia with attractive growth potential:* edotco will continue to acquire passive infrastructure assets from outside of the Group on an opportunistic basis to enable edotco's footprint to expand beyond the Group's existing operations. Such acquisitions will only be made where the Group has determined that the investment will be financially accretive in line with the Group's long-term strategy and will enable edotco to further solidify its position as a leading infrastructure provider to the telecom industry within edotco's geographic area of focus.
- *Achieve organic growth through development of infrastructure build-to-suit business:* edotco will continue to expand its business organically through taking on infrastructure build-to-suit orders from major telecommunication operators in those markets where it has the necessary regulatory approvals to do so.
- *Increase tenancy:* edotco will seek to increase profitability through increasing the tenancy on its portfolio of passive telecommunications infrastructure assets. In addition, edotco has an independent management team to grow and develop the Group's ambitions in telecom infrastructure services.
- *Enhance value of the core:* edotco continues to focus on energy initiatives which will reduce the cost of operations and ensure lower capex and operational expenditure. These initiatives will also significantly improve uptime for the Group's customers and proactively reduce the Group's carbon footprint.

Create innovative and differentiated digital services

- *Group-led initiatives:* where the Group has identified strong potential synergies across multiple markets in a particular add-on business line, it will run a Group-led initiative to develop such business lines. An example of this is the development of advertising initiatives through Adknowledge Asia Pacific, a joint venture between ADS and Adknowledge International Inc. which works with brands, advertising agencies and application developers in Asia Pacific to provide them with data-driven advertising strategies which enables ADS to tap into Asia's fast-growing digital advertising sector.
- *Localised initiatives:* the Group recognises that certain business lines require a strong localised approach in their development. For example, in Indonesia, the Group has entered into a joint venture with SK Planet to create Elevenia, a digital commerce platform which since its launch in March 2014 has attracted more than 20 million visitors per month and in Sri Lanka, Dialog developed eZ Cash, a mobile payment network which was awarded "The NFC & Mobile Money Award" at the 20th Mobile World Congress held in Barcelona in February 2015.
- *Partnering with global strategic players:* to develop both its Group-wide and localised digital services initiatives, the Group has sought, where appropriate, to enter into strategic partnerships with leaders in the relevant digital services. Examples of this are the strategic partnerships between ADS and Adknowledge International, Inc. to create Adknowledge Asia Pacific and the Group's eCommerce joint venture with SK Planet to create Elevenia in Indonesia via XL and www.11street.my in Malaysia via Celcom.
- *Acquire digital targets on a selective basis:* the Group continues to seek opportunities to acquire digital services providers that will complement and expand its existing offering. A recent example is the acquisition of Komli Media's South East Asia's business by Adknowledge Asia Pacific.
- *Leverage off existing telecommunications assets:* the Group will continue to leverage off its existing customer base to differentiate its offering of digital services through ADS. ADS will utilise five key telecommunications assets from the Group, including, (i) customer insight to

provide focused digital advertising; (ii) customer access to enable e-commerce; (iii) the trusted brand to facilitate payments by mobile money; (iv) nationwide retail presence to support e-commerce logistics; and (v) customer loyalty programmes of operating companies to foster e-loyalty.

Attracting and retaining exceptional talent

Axiata places great emphasis on the engagement, motivation, competencies and career development of its employees and their contribution to achieving its business objectives. Employee development is a priority for the Group, and the Group has implemented various initiatives towards this end. The Group emphasises a strong culture of training and education for its staff in order to attract and retain the right employees with the necessary skills to better position the Group going forward.

- *Develop a talent management programme focusing on accelerated development.* The Group operates a robust talent management programme including succession planning where high potential employees are identified and put through an accelerated development. There are three levels of talent management:
 - (i) At the entry level, there is a programme for high potential graduates, the Axiata Graduate Programme. This is a two-year development programme, which provides a bridge between academics and career in the Group. This programme is managed by both Axiata and the operating subsidiaries.
 - (ii) High potential candidates from amongst the executives and first line and middle managers are included in the Opco Accelerated Development Programme, managed by each operating subsidiary or the Corporate Centre.
 - (iii) High potential candidates from amongst the senior management are included in the Group Accelerated Development Programme (“GADP”). Here, talent is managed as a common pool across the Group and governed by a Group Talent Council, made up of operating subsidiaries’ CEOs and top key functional heads at the Corporate Centre including the President and Group CEO. The Group Talent Council meets approximately three times a year.
- *Recruit external talent where appropriate.* In addition to nurturing the Group’s own existing management talent, the Group will continue to recruit experienced external managers and senior managers whom it believes can add value to the Group. To aid recruitment, the Group has created an assessment framework to select the right individuals to join the Group. This framework is consistently used for both internal and external talent. The Group has also developed a Group Mobility Policy which provides standard guidelines to institutionalise the movement of talent across the Group as a key people development mechanism.
- *Introduce a competitive compensation structure.* The Group takes the view that compensation should be commensurate with responsibility, capability and performance if a high performance culture is to be created. The Group will continue to link incentive compensation to the achievement of specific key performance indicators, promote meritocracy and build a high performance culture. The compensation philosophy of the Group is to pay competitive annual fixed pay plus a higher-than-market median performance-driven variable component in the form of annual bonuses. In addition the Group has introduced a unique and highly performance-based long term incentive plan to align the long term interests of its employees with those of its shareholders. A performance-based employee share option scheme (“ESOS”) was introduced in 2009 and was subsequently replaced by the Restricted Share Plan (“RSP”) in 2011. The RSP allowed the Group to issue new shares to eligible employees, which will vest only if the Axiata Group and the eligible employees meet certain financial and performance targets determined by the Group’s Board. In 2015, beginning with a few companies within Group the RSP scheme was

refined to only apply to senior management employees of the Group. A new cash-based long term incentive plan (offering cash instead of shares) was introduced for the other eligible employees. A competitive compensation structure will motivate the Group's talent to perform to the best of their abilities and also help to recruit and retain the best talent.

- *Provide comprehensive training and development programmes.* The Group focuses on developing an effective human resources strategy which fosters a work environment that contributes to continuous learning and improvement, provides both accountability and fairness for all employees and will be attractive to skilled personnel that the Group seeks to recruit. The Group, at times, identifies students as young as 12 years old and supports their education through secondary school and beyond, encouraging them to gain the qualifications synonymous with a role in the Group. The Group focuses on developing an effective human resources strategy that fosters a work environment of continuous learning and improvement, provides both accountability and fairness for all employees and will be attractive to skilled personnel that the Group seeks to recruit. Complementing their strength in developing employees, the Group, through its Axiata Young Talent Programme (**AYTP**), runs a CSR programme that develops selected students as young as 12 years old throughout their secondary education and through university. The CSR programme is designed to prepare the students with the soft skills that are typically missing from their academic programme, focusing on those competencies and attributes required to allow them to strive towards being a CEO.

KEY OPERATING SUBSIDIARIES

The Group's key operating subsidiaries are as follows:

Celcom

Celcom was incorporated in Malaysia on 5 January 1988 and commenced business on 21 August 1989. It is primarily engaged in the provision of voice and data communications services through mobile networks in Malaysia. Celcom's business is focused on the domestic mobile services segment and it operates nationwide mobile networks, comprised of a 2G network utilising both GSM 900 and GSM 1800 spectrum and Malaysia's first 3G network using Wideband Code Division Multiple Access ("**W-CDMA**") on 2100 MHz spectrum. Celcom was the first operator in the country to launch 3G services in 2005 utilising TM's 3G spectrum. In 2006, the 3G network was upgraded and Celcom became the first operator in Malaysia to provide High Speed Packet Access ("**HSDPA**") services, offering subscribers mobile broadband access. Celcom introduced 4G services into its network in 2014. Celcom was one of the first operators in Malaysia to offer 4G services. As of 30 June 2015, Celcom had approximately 12.3 million subscribers with the widest mobile network in Malaysia with 2G network coverage of approximately 95 per cent., 3G network coverage of approximately 85 per cent., and expected LTE coverage of 56 per cent. by the end of 2015. In 2014, data revenue grew 24 per cent. and accounted for 22 per cent. of total revenue up from 17 per cent. in 2013. Increased data usage corresponds to the increased smartphone penetration of 47 per cent. from 32 per cent. in 2013.

Celcom began its wholesale IT transformation exercise in 2013, focussing on all touch points from dealers, customer care to retail outlets. It experienced complications for a substantial period of 2014 including limitations on its ability to launch new products resulting in a loss of subscribers and trade confidence which impacted upon the Group's results of operations for the year ended 31 December 2014 and early 2015. The long-term goal of the IT transformation is to achieve competitive advantage and deliver a market-leading customer experience to Celcom's customers. Following the completion of the IT transformation project, Celcom is poised to introduce more innovative and data- led products in 2015.

The following table shows certain information relating to Celcom Group's consolidated revenues, adjusted EBITDA and PAT extracted from Celcom's audited financial statements for the financial years ended 31 December 2012, 2013 and 2014 and the unaudited financial statements for the six months financial period ended 30 June 2015:

	Financial Year Ended			Six Months Period Ended	
	31 December 2012	31 December 2013	31 December 2014	30 June 2015	
	RM million	RM million	RM million	RM million	USD million**
Revenue.....	7,647	7,936	7,652	3,717	1,022
Adjusted EBITDA ⁽¹⁾	3,316	3,397	3,076	1,370	377
PAT	1,876	2,098	2,723	709	195

Notes:

(1) Adjusted EBITDA is not a uniformly or legally defined financial measure. The Group defines adjusted EBITDA as net profit/(loss) before tax, interest expense/(income), depreciation, impairment and amortisation, other operating income/(expenses), foreign exchange gains/(losses), gain/(loss) on dilution of equity interests and share of results of associates and joint ventures. Adjusted EBITDA is presented because the Group believes it is a widely accepted financial indicator on an entity's ability to incur and service debt. Adjusted EBITDA should not be considered by an investor as an alternative to net income or income from operations, or as an indicator of the Group's operating performance or other combined operations or cash flow data prepared in accordance with generally accepted accounting principles, or an alternative to cash flows as a measure of liquidity or any measures of performance under Malaysian GAAP. The computation of adjusted EBITDA herein may differ from similarly titled computations of other companies. Adjusted EBITDA is not a measure of financial performance under Malaysian GAAP and should not be considered as an alternative to net cash provided by operating activities or as a measure of liquidity or an alternative to net income as indicators of operating performance or any measures of performance derived in accordance with Malaysian GAAP.

** USD1:RM3.63654

Subscriber base and usage

The following table shows certain information relating to Celcom's mobile telecommunications subscriber base as of 31 December 2012, 2013 and 2014:

	As of		
	31 December 2012	31 December 2013	31 December 2014
Number of subscribers ('000)			
Postpaid.....	2,879	2,925	2,804
Prepaid	9,802	10,213	10,165
Total number of subscribers	12,681	13,137	12,968
Number of mobile subscribers in Malaysia ('000) ⁽¹⁾	41,325	42,996	44,929
Malaysian mobile penetration ⁽¹⁾	142.5	143.8	148.3
Market share ⁽²⁾	31%	31%	29%
ARPU (RM per month)			
Postpaid.....	91	88	87
Prepaid	36	36	35
Average MOU per subscriber			
Postpaid.....	320	289	287
Prepaid	194	216	194

Notes:

- (1) Figures are extracted from tables presented in the “Statistic” section of the MCMC’s website at www.skmm.gov.my.
- (2) Computed as Celcom’s estimate of its total number of subscribers as a percentage of the total number of mobile subscribers in Malaysia as extracted from the tables referred to at Note (1).

As at 30 June 2015, Celcom had approximately 12.3 million subscribers, a decrease of about 628,000 subscribers as compared with 31 December 2014.

Services and products

Celcom offers its services on a postpaid or prepaid basis. Its postpaid service was launched in 1989 while its prepaid mobile service was launched in 1998. It launched its mobile-based broadband service in 2005 and in 2006, Celcom introduced a customised portfolio of enterprise products and services.

Postpaid services

Celcom offers various packages for its postpaid subscribers ranging from individual postpaid packages, special packages for members of associations and clubs to hybrid voice and internet packages offering pre-bundled minutes and SMS together with monthly internet quota. These exclusive packages incorporate pioneer features such as Optimizer and Carry Forward Internet, each of which are First in its Class in the market.

In addition to hybrid voice packages, Celcom also provides pure data-only packages to cater to heavy internet users. Celcom also provides international roaming services to postpaid subscribers through contractual agreements with foreign mobile service providers.

Prepaid services

Xpax is Celcom’s main prepaid brand, representing more than half of Celcom’s 10.2 million prepaid subscribers. Xpax introduced Magic SIM to the market in June 2015. Magic SIM provides free internet, free Hi-Speed internet and low-cost calls, among other features.

Add-on and OTT services

In addition to voice services, Celcom also offers add-on and OTT services to subscribers. Zipit Chat, an encrypted communications OTT application that was launched in September 2015, utilises Advanced Encryption Standards (AES) 256 technology to provide a secure communications service. Big Win, also launched in September 2015, is a website offering interactive contests with prizes and rewards to customers.

Celcom also introduced a personal entertainment space named “ESCAPE” that provides customers with the ability to ‘pause and play’ movies, TV series, live broadcasts and events in high resolution across multiple devices and platforms.

Since its launch in August 2013, ESCAPE generated almost 6.8 million visits to www.celcomESCAPE.com by 4.6 million visitors with an average viewing duration of approximately four minutes.

Domestic and international interconnection service

Celcom currently has interconnection arrangements with other domestic telecommunication operators for domestic call services and international carriers for IDD service and traffic termination to

Malaysia. Pursuant to these arrangements, Celcom receives domestic and international interconnection revenue for all calls that connect onto Celcom's network. The submarine cable systems that Celcom accesses allows Celcom to have direct interconnections with 98 international carriers across 237 countries worldwide.

International roaming services

With the combination of GSM, GPRS, 3G and 4G capabilities provided by 582 international roaming partners (331 3G enabled and 39 4G enabled) to offer services in more than 200 countries globally, Celcom is able to offer a wide range of services to subscribers of both local and foreign operators. The international roaming arrangements are made bilaterally with foreign operators in accordance with 3GSM Association guidelines. Celcom receives revenue both from calls made by its own subscribers roaming abroad and when foreign operators' subscribers roam on Celcom's network.

Business solutions

First Business, Celcom's enterprise arm, is a leading provider of corporate mobile services and wireless business solutions in Malaysia. Through strategic partnerships and by leveraging on the latest technologies, First Business continues to grow within its target business segments. On the understanding that every small and medium size enterprise ("SME") is unique in its own way, FIRST Power plans are specially designed for SME businesses to experience control, convenience and priority in their hands.

Customer service

Celcom's Online Customer Service ("OCS") is a self-service online channel for Celcom customers to perform their transactions, including electronic billing, to enable them to view, pay and manage their account online. As at 31 December 2014, close to 1.0 million customers were registered for OCS, with an average of 17,000 registrations per month.

In 2010 Celcom also established the Consumer Lab and Behaviour Centre ("CLBC") to assist its transformation to a consumer-centric organisation. CLBC allows Celcom to monitor the requirements of Malaysian telco customers. CLBC has helped Celcom shift its customer segmentation approach, from a one-dimensional segmentation model to a holistic 3-dimensional psychographic-based model.

Strategic alliances

Celcom has a number of memoranda of understanding, strategic alliances, equity partnerships and collaborations with various global, regional and local corporate and telecommunications leaders, as well as competitors, including Google, Tune Talk, Altel, Redtone, Merchantrade, PLDT, DiGi and Puncak Semangat Sdn Bhd ("**Puncak Semangat**").

Celcom signed an infrastructure sharing agreement with DiGi Telecommunications in December 2010. The arrangement includes site consolidation and transmission sharing. This collaboration saw both Celcom and DiGi Telecommunications embark on site consolidation that has, to date, consolidated a total of 370 sites nationwide.

In November 2013, Celcom and Digi executed a Fibre Infrastructure Collaboration Agreement ("**FICA**") and formed a Fiber Collaboration Team. The FICA is designed to offer a common planning and project management team for joint development of fiber infrastructure over the next five years. As at 30 June 2015, a total of 3,212 kilometres of fiber infrastructure had been completed as a result of the FICA.

In July 2015, Celcom and Digi signed a term sheet to enter into an agreement for Site Collaboration and the formation of a sites collaboration team ("**SCT**") which shall be responsible for the joint planning and implementation of sites. Celcom and Digi parties are currently finalising the agreement, which is expected to be concluded by the end of 2015.

Since March 2012, Celcom has entered into a series of partnership agreements with Puncak Semangat and its subsidiaries to jointly explore business opportunities in relation to strategic key areas relating to deployment of Mobile Virtual Network Operator (“MVNO”), Domestic Roaming, Long Term Evolution communication technology, spectrum, infrastructure and RAN sharing, communication, information technology solutions and digital services. It is expected that this partnership will enable Celcom to increase its revenue and improve efficiency on its capital and operational expenditure to enable faster network and capacity expansion.

MVNO services started in August 2013 and, as at the date of this Offering Circular, Celcom and Altel are entering into the final phase of a Domestic Roaming commercial arrangement. Celcom is also providing connectivity solutions to Puncak Semangat affiliated companies nationwide.

Celcom considers that there remains potential for long-term strategic collaboration in the infrastructure area and may pursue further opportunities in this space in 2016.

Marketing, sales and distribution

Marketing

Celcom’s marketing strategy is anchored by the following key strategic principles:

- Subscriber segmentation to clearly identify key subscriber segments for marketing and sales targeting with support at all levels, such as subscriber service and network.
- Enhancement of overall brand appeal among subscribers by offering good coverage, speed, rates and service.
- Targeted up-selling initiatives via aggressive database marketing programmes to existing subscribers.
- Mass implementation of loyalty programmes to increase subscriber tenure and reduce churn.
- Strong product brand portfolio management to differentiate products and tariffs from generic product offerings of competitors and simplify the subscriber offers.
- Sponsorship and affinity programmes to create affinity and grow brand appeal via co-branding initiatives to identified target segments.

Sales and distribution

Celcom uses a multi-channel distribution strategy to sell its prepaid and postpaid services. C-Mobile Sdn Bhd (“**Blue Cube**”), Celcom’s wholly-owned subsidiary, distributes the Group’s products through 60 retail outlets located principally in shopping malls and high traffic areas in key cities in Malaysia. Celcom also sells additional services such as enterprise and business solutions through Blue Cube retail outlets.

As at 30 June 2015, there were more than 17,650 outlets in Malaysia selling Celcom prepaid cards which could subsequently be reloaded at approximately 450 bill payment centres. Celcom will continue to explore other channels of distribution aside from traditional outlets which sell mobile devices and standard telecommunications services. Celcom also provides a virtual reload alternative which operates via SMS or Unstructured Supplementary Service Data (“**USSD**”), allowing a subscriber to reload their prepaid credit without having to purchase physical reload cards.

Billing

Celcom bills its postpaid subscribers through a variety of channels and payment collection is supported by extensive collection points throughout Celcom's sales channels. This is made possible via integrated web portal services, which allow Celcom to leverage its sales channels for customer relationship management. An extensive online self-service capability is also provided to its prepaid subscribers for their personal account management.

Credit management and deactivation

Celcom practices credit profiling, whereby each category of subscribers is broadly distinguished between retail and corporate subscribers. The profiling is based on the assessment of payment history, spending behaviour, plan, loyalty and creditworthiness. Credit profiling determines the level of credit limits granted and discretion in exercising call barring or termination action.

In the event of default in payment or if a subscriber is about to exceed the allocated credit limit, Celcom will contact the subscriber to remind the subscriber of the payment status before any credit control action, such as call barring and termination of phone line, is taken. Depending on the individual subscriber's Celcom credit profile, system call barring will be taken should the subscriber fail to remit payment 35 days from the date of the statement. In most cases, the account will be suspended between 95 to 115 days (voice packages) from the call barring date and subsequently terminated 60 days after any suspension of service.

Competition

Competition in Malaysia evolved primarily around coverage, and is now driven by quality of products and services, competitive pricing, network speed and provisioning of superior customer experience. Celcom expects competitors to place greater value in the future on providing segment relevant offerings and on value-added services such as data access, content and non-voice services.

The main licenced mobile operators in Malaysia which compete directly with Celcom include Maxis Berhad ("**Maxis**"), DiGi.com Berhad ("**DiGi**"), Yes and U Mobile. Celcom, DiGi and Maxis operate 2G, 3G and 4G Services. U Mobile operates a 3G network and has a domestic roaming arrangement on the Maxis 2G network, allowing its subscribers to use their mobile phone outside areas in which U Mobile has no network coverage. A number of smaller competitors such as the MVNOs are also active in the market and are growing in size as data consumption continues to increase in the niche segments.

Celcom believes that it has the widest network coverage for both 2G and 3G in Malaysia, giving it a competitive advantage especially in the 3G market. Celcom is expanding its 4G network to provide an improved customer experience with a focus on seamless data connectivity and to be the leading data provider in the market. Celcom further believes that the geographic scope of Celcom's network coverage and its significant network capacity provides it with a competitive advantage over new market entrants, which cannot duplicate Celcom's network coverage or capacity without significant capital expenditure. See, however: "*Risk Factors — Risks Relating to the Operations of the Group and its Businesses — The Group may not realise the benefits it expects from its investments in network infrastructure and new technologies*".

Network, infrastructure and spectrum

Celcom's mobile network infrastructure comprises three major components: mobile access, core network and the transmission system. As at 30 June 2015, Celcom had the widest network coverage in Malaysia, with its 2G and 3G networks covering approximately 95 per cent. and 85 per cent. of the population respectively. Celcom's 4G network will cover approximately 56 per cent. of the local population by the end of 2015.

Celcom measures the technical performance of its services against internal and external benchmarks to ensure the performance of its networks is ahead of industry standards and it continuously invests in new tools to test and simulate subscriber experience on its services.

For the operation of GSM based mobile services, Celcom has been allocated 2 x 17 MHz and 2 x 25 MHz spectrum in the 900 MHz and 1800 MHz frequency bands, respectively. The MCMC assigned to Celcom a 3G spectrum on 2100 MHz with effect from 28 April 2008 until 1 April 2018. The frequency bands allocated for Celcom's operation of 3G mobile telecommunications services are 2 x 15 MHz bandwidths for frequency division duplex ("FDD") frequency and 1 x 5 MHz bandwidth for time division duplex ("TDD") frequency. MCMC assigned to Celcom a 4G spectrum on 2530 MHz — 2540 MHz/2650 MHz — 2660 MHz with effect from 1 January 2013 until 31 December 2017. Other frequency bands approved for technology refresh for 4G mobile telecommunications services are 1750 MHz — 1760 MHz/1845 MHz — 1855 MHz

XL

XL currently operates GSM 900/DCS 1800 (2G/2.5G), IMT-2000 (3G) and (4G/LTE) mobile networks, and utilises its Cellular Mobile Network Licence, Closed Regular Network Licence, Internet Service Provider Licence, Voice over Internet Protocol Licence, and Internet Connections Services Licence to provide voice, data and other value-added mobile telecommunications services to retail customers and business solutions to corporate customers. XL will launch commercial 4G LTE in the 1800 MHz spectrum before 31 December 2015 following completion of the 1800 MHz spectrum re-allocation process in Indonesia. During the re-allocation, all 1800 MHz spectrum holders will be re-arranging their 1800 MHz spectrum blocks to provide contiguous spectrum holdings and enable 4G/LTE to be offered commercially on 1800 MHz.

Over the last three years, XL's total users have increased from 45.7 million at 31 December 2012 to 60.5 million as at 31 December 2013 before decreasing to 59.6 million as at 31 December 2014 as a result of reducing the number of unprofitable subscribers acquired following XL's acquisition of Axis. Despite the slight decrease in full year subscribers, XL's customer base grew in size during 2014 following the acquisition of Axis in March 2014. As at 30 June 2015, XL had 46.0 million subscribers.

As a result of the changing market dynamics in Indonesia which has seen rising SIM penetration, increased customer sophistication and a focus on data services. XL has shifted its strategy to build a sustainable and profitable business. In 2015, XL implemented a new strategy based on the "3R Strategy": "Revamp, Rise and Reinvent". The new strategy is designed to move XL's focus on acquiring customers away from volume to value that its customers represent. It is anticipated that the total transformation will take 12 to 18 months to complete but the first phases of the transformation are already starting to indicate promising signs and results as demonstrated by an increase in the blended ARPU from IDR 28,000 to IDR 32,000 in the second quarter of 2015, compared to the first quarter of 2015. The strategy has also resulted in XL's EBITDA margin increasing from 34.1 per cent. to 35.5 per cent. in the second quarter of 2015, compared to the first quarter of 2015.

The following table shows certain information relating to XL Group's consolidated revenues, adjusted EBITDA and PAT/(LAT) extracted from XL's audited financial statements for the financial years ended 31 December 2012, 2013 and 2014 and six months financial period ended 30 June 2015:

	Financial Year Ended			Six Months Period ended	
	31 December 2012	31 December 2013	31 December 2014	30 June 2015	
	IDR billion	IDR billion	Unaudited (Restated) IDR billion	IDR billion	USD million**
Revenue.....	20,970	21,265	23,460	11,091	887
EBITDA ⁽¹⁾	9,711	8,471	8,330	3,946	316
PAT/(LAT).....	2,765	1,033	(804)	(851)	(68)

Note:

(1) Adjusted EBITDA is not a uniformly or legally defined financial measure. The Group defines adjusted EBITDA as net profit/(loss) before tax, interest expense/(income), depreciation, impairment and amortisation, other operating income/(expenses), other gains/(losses), foreign exchange gains/(losses), gain/(loss) on dilution of equity interests and share of results of associates and joint ventures. Adjusted EBITDA is presented because the Group believes it is a widely accepted financial indicator on an entity's ability to incur and service debt. Adjusted EBITDA should not be considered by an investor as an alternative to net income or income from operations, or as an indicator of the Group's operating performance or other combined operations or cash flow data prepared in accordance with generally accepted accounting principles, or an alternative to cash flows as a measure of liquidity or any measures of performance derived in accordance with Indonesian GAAP. The computation of adjusted EBITDA herein may differ from similarly titled computations of other companies. Adjusted EBITDA is not a measure of financial performance under Indonesian GAAP and should not be considered as an alternative to net cash provided by operating activities or as a measure of liquidity or an alternative to net income as indicators of operating performance or any measures of performance derived in accordance with Indonesian GAAP.

** USD1:IDR12,500

Subscriber base and usage

The following table shows certain information relating to XL's mobile telecommunications subscriber base as of 31 December 2012, 2013 and 2014:

	As of		
	31 December 2012	31 December 2013	31 December 2014
Number of subscribers ('000)			
Postpaid.....	355	377	423
Prepaid.....	45,395	60,172	59,220
Total number of subscribers	45,750	60,549	59,643
Number of mobile subscribers in Indonesia (mil) ⁽¹⁾	295.7	329.8	350.0
Indonesian mobile penetration ⁽¹⁾	121%	133%	145%
Market share ⁽²⁾	15%	18%	17%
ARPU (IDR'000 per month)			
Postpaid.....	139	132	118
Prepaid.....	33	26	25
Average outgoing monthly MOU per subscriber .	32	27	26

Notes:

(1) These figures represent XL's own internal estimates of the number of mobile subscribers in Indonesia and the rate of mobile penetration and have not been independently verified.

(2) Computed as XL's estimate of its total number of subscribers as a percentage of XL's estimate of the total number of mobile subscribers in Indonesia.

Services and products

XL offers a wide array of voice and non-voice mobile telecommunications services, including data services, to its subscribers on either a postpaid or prepaid basis, through its GSM 900/DCS 1800 (2G/2.5G), IMT-2000 (3G) and 4G LTE mobile networks. To take advantage of the opportunities presented in the Indonesian telecommunications industry where consumers rely heavily on data, XL has shifted its business focus from voice and SMS to mobile data and made significant investments in network infrastructure to build a reliable data network. XL will launch commercial 4G LTE in the 1800 MHz spectrum before 31 December 2015 following completion of the 1800 MHz spectrum re-allocation process in Indonesia.

Data services

There has been a significant change in the way people communicate globally, as more data-related telecommunication services are available through improved data networks and new data-capable communication devices. Indonesia is no exception to these global trends. With generally low PC and fixed line penetration throughout Indonesia (with less than 4 per cent. of Indonesian households having internet access from a fixed point), 98 per cent. of Indonesians access the internet through mobile devices, making Indonesia the fastest growing mobile internet market in the region. Communication has increasingly shifted to messaging over IP, including through WhatsApp, Line, Facebook Messenger and a variety of social networking sites. The growing number of data users is evident with more than 50 per cent. of XL's subscribers being active data users. This has resulted in revenue from data increasing 42 per cent. year on year, with data representing 29 per cent. of XL's total usage revenue for the year ended 31 December 2014 compared with 23 per cent. for the year ended 31 December 2013. This shift to data has been further fuelled by the increased availability of affordable data-capable devices, as prices for devices continue to decrease. XL's smartphone penetration of its subscriber base increased to 27 per cent. in 2014 from 17 per cent. in 2013 supported by a growing middle-income population and increased income per capita, which has allowed more and more Indonesians to embrace data.

To accommodate the continued shift towards data usage, the majority of XL's IDR7.1 trillion capital expenditure related to property, plant and equipment reflected in XL's audited statement of cash flow for 2014 was invested in data-related network infrastructure, focusing on 3G and 4G and related transmission requirements. This was supported by continued migration to an IP-based network, enhanced transmission and additional core network to provide better customer experience. As at 30 June 2015, XL had increased its 3G, Nodes B from 15,179 to 17,246 since 30 June 2014 and introduced 232 4G BTS to cater for its customers' increased data demands. As at 30 June 2015, XL had a total of 54,550 BTS.

In 2014, XL witnessed continued growth in data services, with data volumes increasing by 127 per cent. year on year to 123,824 TeraBits. The increase in data consumption has been aided by XL incorporating mobile internet services into its core offerings and the increased availability of affordable smartphones in the market. In October 2014, XL was the first mobile service provider to conduct 4G LTE trials on 1800 Mhz in Indonesia ahead of commercial launch in late 2015. XL provides data services with various charging methods to suit customers' preference, ranging from volume-based to time-based. Data is priced on a pay-as-you-use model with customers paying only for what they require. XL has also launched an array of innovative and reliable data services, including m-payment and m-commerce, in conjunction with the increased data usage.

Voice and SMS

To capitalise on the demand for affordable mobile communication services, XL has expanded the scale of its network capacity and population coverage, implemented pricing strategies and monetised its voice and SMS business. XL has focused on offering affordable and dependable voice, SMS, and data services to maximise the utilisation of network capacity and therefore revenue generation. Despite affordable voice and SMS packages, XL witnessed decreased voice and SMS volumes as customers migrated from voice and SMS services to data services, in line with global mobile trends. XL's pricing strategies have reduced the impact of declining voice and SMS sales on revenues, such that XL managed to grow voice and SMS revenues by 3 per cent. year-on-year in 2014, despite such decline.

Corporate services

The services provided by XL's Business Solutions are supported by a fibre optic cable backbone network, which is supported by XL's operator partners in other countries to provide end-to-end services across regional and global networks.

XL's Business Solutions offer services including fixed-line, mobile and convergence communication services (including office zones), GSM PABX integration, hosted PBX, machine-to-machine (wireless automatic teller machine ("ATM")), wireless EDC, Wi-Fi, bulk SMS, VoIP and a Vehicle Tracking System (XLocation).

Interconnection and roaming services

XL receives interconnection revenue for domestic and international calls which connect to XL's network and pays interconnection charges for calls that connect to other operators' networks. These interconnection arrangements are subject to guidelines on interconnection rates set by the Indonesian Ministry of Communication and Information.

To provide international roaming to its subscribers, XL has co-operative international roaming agreements in place with approximately 280 operators in 125 countries as of 31 December 2014. XL receives revenue from in-bound roaming carried out by subscribers of overseas mobile operators which are in Indonesia and are using the XL network for mobile coverage. XL has roaming agreements with other mobile operators in respect of international in-bound roaming charges for calls and SMSs made by, and received by, their subscribers while roaming on XL's network.

Handset bundling

The increase in demand for data is also supported by the affordability of data-capable handsets in the market. To support the affordability of 3G and 4G handsets, XL has collaborated with many handset dealers and financial institutions to offer bundled packages with easy instalment payment methods. XL has pursued collaborations with handset dealers for smartphone, tablets, and 3G and 4G phones such as Apple, ASUS, Blackberry, Xiaomi, LG, Samsung and Nokia.

Marketing, sales and distribution

Marketing

XL understands that marketing and distribution channels play a key role in promoting its products and services. XL believes that its use of social networks, digital communities as well as digital media to communicate its offerings to the public allow it to reach a larger audience more quickly and efficiently than conventional advertising alone. XL therefore employs these strategies alongside conventional marketing channels such as television, print and radio advertising and local events.

XL promotes the advantages of data services to the public, highlighting the benefits in technological advancement that may be obtained through using data services, in order to generate new data subscribers. XL builds awareness of, and offers education in respect of, data services to the public of all age groups, including the marketing of smartphones to schools via roadshows.

XL utilises canvassers and merchandisers equipped with Intelligent Canvasser System and Intelligent Merchandiser System tools to oversee sales, marketing and branding activities. These tools allow XL to control and evaluate sales and product distribution and to augment branding/advertising with real-time monitoring systems.

Sales and distribution

As at 31 December 2014, XL had cooperative arrangements with 65 partner agencies for the distribution of XL's products on a non-exclusive basis through their respective distribution networks of independent retailers throughout Indonesia. To promote advocacy of XL's products, XL has developed certain targets and quotas for the dealers in each category to achieve and maintain with respect to the "area cluster" they are responsible for managing. At the end of 2014, XL had more than 220,000 independent retailers in 124 "area clusters" for its products.

XL has implemented the 'Best-in-class Distribution' system since 2009, an indirect distribution system based on area clusters. Through this system, XL has partnered with the best performing dealers and provided them exclusivity to manage the distribution of XL's products in designated cluster areas. The Mobile Data Service ("MDS") Channel Development program focuses on the distribution of MDS products. As at 31 December 2014, XL also had more than 5,000 non-traditional retail outlets with MDS, the modern channel dealers who are responsible for managing more than 23,000 modern channel outlets. The creation of the MDS Channel Development program was also aimed at assisting traditional outlets to sell data products. XL managed to increase the participation of retail outlets in the sale of data service packages by more than 100 per cent. through MDS to 160,000 as at 31 December 2014 from 75,000 at 31 December 2013. The channel distribution expansion for data was conducted through extensive partnership with branded mobile stores to sell MDS products.

For direct distribution, as at 31 December 2014, XL channelled its products and services through 105 XL Centres, banks (through ATMs and phone banking) and hypermarket outlets. XL also uses its distribution system for customer service functions, which are predominantly channelled through the XL Centres that XL owns and manages and the XL Centre outlets which are operated by third parties under franchise agreements.

Billing

XL's customer relationship management and billing system, launched in early 2003, enables XL to integrate its billing, network, and customer service capabilities in one platform. This system provides the ability to integrate voice, video, data and content charging, giving greater flexibility in charging and offering various combined voice and data service packages to its subscribers. The system also provides subscribers with real time balance information. XL's subscriber relationship management system provides XL with a detailed breakdown of XL's subscriber base and allows XL to track subscriber usage so that it can offer better services to meet the needs of its subscribers and offer regional pricing.

Credit management and deactivation

XL permits a postpaid subscriber to utilise its international roaming service with credit limits of up to IDR 200 million allocated if: (i) the subscriber uses his or her credit card as his or her selected payment method; or (ii) the subscriber deposits IDR1.5 million with XL if payment is made by cash. Each subscriber is required to register his or her number and submit supporting documents to an XL Centre.

Postpaid subscribers have 26 days from the billing date to pay their bill before it is overdue. Postpaid subscribers typically receive the bill 13 days before a bill is overdue for subscribers in the Jabodetabek area, and 15 days before a bill is overdue for subscribers outside the Jabodetabek area.

XL takes various actions against subscribers whose bill payment is overdue including sending SMS reminders, blocking outgoing call service, sending written reminders, blocking incoming and outgoing calls and finally, after 45 days, deactivating the account.

Competition

As a result of the highly competitive market in 2014 that resulted in most operators sustaining a loss, 2015 has seen the consolidation of some operators in the market and a return of a sustainable operating environment. XL competes with established incumbents, PT Telekomunikasi Selular (“**Telkomsel**”) and PT Indosat Tbk (“**Indosat**”), principally on network quality and pricing. XL is the 2nd largest mobile operator in Indonesia after Telkomsel in terms of revenue market share. XL also competes with several smaller GSM and CDMA operators in the Indonesian mobile telecommunications industry. XL believes that its larger subscriber base affords it economies of scale and other cost advantages over mobile operators with smaller subscriber bases, plus its larger on-net community allows its subscribers to utilise more affordable on-net product offerings for a greater proportion of their voice usage. XL’s acquisition of Axis from Saudi Telecom Co. in March 2014 was undertaken to improve XL’s spectrum offering and therefore the service it is able to provide, providing XL with a further competitive advantage. Following its acquisition of Axis in 2014, XL obtained the 1,800 MHz spectrum which it intends to use to supply 4G LTE services. XL’s commercial roll-out of 4G services will occur once Indonesia completes the re-arrangement of its mobile spectrum See “*Risk Factors — Risk Factors Relating to the Industry in which the Group and its Business Operate — The Group faces strong competition in the markets in which it operates*”.

Network, infrastructure and spectrum

In December 2014, XL entered into a sale and leaseback agreement for 3,500 non-core site towers with PT Solusi Tunas Pratama Tbk (“**STP**”). XL’s tower assets are recorded at book value on its books and the sale and leaseback of towers enables XL to realise the value of its tower assets. XL secured a competitive leasing rate for the towers from STP and the arrangement will have minimal impact on XL’s remaining infrastructure.

XL utilises many types of telecommunications network infrastructure to support its services to subscribers, and its network has over 90 per cent. population coverage in Indonesia. XL also operates a microwave transmission network outside Java backed by VSAT links to provide network capacity and coverage in certain remote areas of Indonesia.

XL continues to invest in enhancing its network capacity and quality to support the increase in its subscriber usage. In 2014, XL invested IDR7.1 trillion in capital expenditure as reflected in the statement of cash flows, predominantly on the setting up of more base stations, fibre optics and the upgrading of its core network.

The frequency allocations for the GSM 900 mobile telecommunications services in Indonesia are in the 890-915 MHz and 935-960 MHz frequency bands. The set frequencies granted to XL to provide GSM 900 mobile telecommunications services are 2 x 7.5 MHz in the 907.5-915 MHz and 952.5-960 MHz frequency bands. The set frequencies to XL to provide 3G telecommunications services are 2 x 10 MHz at 1960-1970 MHz coupled with 2150-2160 MHz frequency bands. Since May 2015, the 1,800 MHz frequency has been in the process of re-allocation to enable operators to have a more contiguous spectrum. The process is due to be completed in November 2015, following which XL will utilise 1,800 MHz for commercial 4G LTE services once the spectrum is declared technology-neutral.

Non-telco businesses

In addition to its telco business, in pursuit of the Group’s strategy to develop other data-focused business opportunities, XL has obtained two licences to develop products within the finance sector. XL obtained its e-Money Issuer Licence from the Central Bank of Indonesia pursuant to the Central Bank Director General of Accounting and Payment System Letter No.12/816/DASP dated 6 October 2010. XL has also obtained a licence to act as a Money Remittance Operator pursuant to Central Bank Director General of Accounting and Payment System Letter No.14/50/DASP dated 24 January 2012.

Dialog

Dialog commenced operations in 1995 and was listed on the Colombo Stock Exchange in July 2005. Dialog's core business focuses on the provision of mobile telecommunications services in Sri Lanka. Dialog became the first operator in South Asia to launch a commercial 3G network in August 2006 and a 4G FDD-LTE network in April 2013 and currently operates 2.5G, 3G, 3.5G and 4G communications network in Sri Lanka. In addition to its core business of mobile telephony, following several strategic corporate acquisitions, Dialog operates a wide portfolio of multisensory connectivity services and has secured a strong position in the quadruple play market (where mobile, fixed line, broadband internet and media services are offered). This includes Dialog Television (Private) Limited ("DTV"), which operates a direct-to-home satellite television service, and Dialog Global which operates a wide portfolio of international telecommunications services. In addition, Dialog Broadband Networks (Private) Limited ("DBN") offers fixed-line services and broadband internet, whilst Dialog Tele-Infrastructure ("DTI") is the company's national telecommunications infrastructure arm.

For the financial year ended 31 December 2014. Dialog achieved 6 per cent. year-on-year revenue growth.

The following table shows certain information relating to Dialog Group's consolidated revenues, adjusted EBITDA and PAT extracted from Dialog's audited financial statements for the financial years ended 31 December 2012, 2013 and 2014 and the unaudited financial statements for the six months financial period ended 30 June 2015:

	Financial Year Ended			Six Months Period Ended	
	31 December 2012	31 December 2013	31 December 2014	30 June 2015	
	SLR million	SLR million	SLR million	SLR million	USD million**
Revenue.....	56,345	63,298	67,286	35,075	264
Adjusted EBITDA ⁽¹⁾	18,219	19,916	20,895	11,597	87
PAT	6,030	5,201	6,098	3,888	29

Note:

(1) Adjusted EBITDA is not a uniformly or legally defined financial measure. The Group defines adjusted EBITDA as net profit/(loss) before tax, interest expense/(income), depreciation, impairment and amortisation, other operating income/(expenses), other gains/(losses), foreign exchange gains/(losses), gain/(loss) on dilution of equity interests and share of results of associates and joint ventures. Adjusted EBITDA is presented because the Group believes it is a widely accepted financial indicator on an entity's ability to incur and service debt. Adjusted EBITDA should not be considered by an investor as an alternative to net income or income from operations, or as an indicator of the Group's operating performance or other combined operations or cash flow data prepared in accordance with generally accepted accounting principles, or as an alternative to cash flows as a measure of liquidity or any measures of performance derived in accordance with Sri Lankan GAAP. The computation of adjusted EBITDA herein may differ from similarly titled computations of other companies. Adjusted EBITDA is not a measure of financial performance under Sri Lankan GAAP and should not be considered as an alternative to net cash provided by operating activities or as a measure of liquidity or an alternative to net income as indicators of operating performance or any measures of performance derived in accordance with Sri Lankan GAAP.

** 1USD:SLR132.97872

Business units

Dialog's service portfolio consists of mobile business, international business, tele-infrastructure business, Pay television (**Pay TV**) business, fixed telephony and broadband business and digital services.

- Mobile business

Dialog operates a 2.5G, 3G, 3.5G and 4G network, supporting the latest in multimedia and mobile Internet services. Dialog was the first service provider in South Asia to launch mobile 4G FDD LTE services. As at 31 December 2014, Dialog had 9.5 million mobile subscribers an increase of 9 per cent. on a year-on-year basis. As at 30 June 2015, Dialog had 10.1 million mobile subscribers.

Subscriber base and usage

The following table shows certain information relating to Dialog's mobile telecommunications subscriber base as of 31 December 2012, 2013 and 2014:

	As of		
	31 December 2012	31 December 2013	31 December 2014
Number of subscribers ('000)			
Postpaid.....	900	963	1,075
Prepaid.....	6,827	7,754	8,464
Total number of subscribers	7,727	8,717	9,539
Number of mobile subscribers in Sri Lanka ('000) ⁽¹⁾	20,324	20,315	22,123
Sri Lankan mobile penetration ⁽¹⁾	99%	99%	107%
Market share ⁽²⁾	38%	43%	43%
ARPU (SLR per month).....	352	360	350
Average MOU per subscriber.....	170	158	149

Notes:

- (1) These figures are as reported on its website of the Telecommunication Regulatory Commission of Sri Lanka ("TRCSL"). The reporting basis of number of mobile subscribers was revised in 2013 by TRCSL.
- (2) Computed as Dialog's estimate of its total number of subscribers as a percentage of the number of mobile subscribers in Sri Lanka.

As at 31 December 2014, Dialog had 9.5 million mobile subscribers, representing an estimated 43 per cent. of the total market share of mobile subscribers in Sri Lanka, whilst mobile penetration in Sri Lanka increased from approximately 91 per cent. to an estimated 107 per cent. between 31 December 2011 and 31 December 2014. Dialog is the largest mobile telecommunications service provider in Sri Lanka in terms of subscriber numbers.

Prepaid and postpaid services

Dialog's postpaid mobile service commenced in March 1995 under the "Dialog" brand name and Dialog introduced prepaid services in 1999 under the brand name "Kit".

Dialog offers a range of competitive tariff plans to both prepaid and postpaid subscribers and continues to be innovative in its product offerings to enhance affordability and convenience to customers. 'Automatic Loan' is a new service in the prepaid service portfolio which provides customers with an instant loan whenever they run out of credit. 'Package top-up,' a first of its kind in Sri Lanka, allows Dialog post-paid customers to enjoy prepaid services. This gives the post-paid customer the flexibility to choose selected services with pre-paid mode whenever required. Dialog's 'My Plan' provides users with a customised package that enables users to remotely adjust their allocation of data, voice and SMS' on a value basis according to their preference. Further, Dialog entered into a partnership with the national airline carrier, Sri Lankan Airlines, to provide on-board connectivity including voice, SMS and data, for passengers who are Dialog's customers.

Mobile Broadband

Dialog's coverage and product portfolio makes it one of the leading players in Sri Lanka's mobile broadband sector. As at 31 December 2014, Dialog connected 1,480,000 mobile broadband subscribers - an increase of 66 per cent. year-on-year basis.

Dialog Mobile broadband business has grown rapidly as a result of increased applications and the availability of affordable smartphones. In 2013, Dialog introduced an affordable series of Dialog branded devices which beat the SLR 10,000 affordability barrier. This contributed to smartphone adoption and increased smartphone penetration in Dialog's network from 9 per cent. as at 31 December 2013 to 19 per cent. as at 31 December 2014.

Value-added services

Dialog has the largest portfolio of value added services in Sri Lanka, with focus on music, gaming and video categories. It launched the first-ever streaming application for Sri Lankan music — 'Thaala' in 2014. This on demand streaming application allows users to listen to a large selection of Sinhala and Tamil songs from local artists. 'Thaala' also aims to promote and give due recognition to local performing artistes. Further, Dialog introduced Boinc, another music application which offers high-quality downloads of over 15 million songs from the largest music houses both local and international. Dialog's video streaming service 'MyTV' and gaming portals 'Gameloft' and 'Games Club' propels the further adoption of entertainment sphere in addition to a range of other services.

- International business

Dialog's international services business unit, Dialog Global, has established a comprehensive network of international linkages facilitating the flow of international traffic to and from Sri Lanka to most international destinations. As of 30 June 2015, Dialog Global offers roaming in over 230 countries with a choice of over 626 partner operators. Dialog Global's 3G roaming network at present provides services in 150 countries with over 318 partner operators, whilst Dialog Global's 4G roaming network provides services in 42 countries with over 82 partner operators.

Dialog offers corporate international branch connectivity solutions through its SDH/SONET and Multiprotocol Label Switching ("MPLS") based global data transmission network which caters to the voice, data and video requirements of enterprise customers. Dialog also offers an International Private Leased Circuit service for business clients, which extends to all major global markets.

The launch of Dialog's unlimited data roaming service for outbound roamers has helped to boost data roaming revenue and usage. This was a new initiative in the international roaming service arena, where roamers can enjoy unlimited data roaming in 18 destinations for as low as USD5 per day. Further the company deployed an 'Online Charging and Data notification' service which automatically monitors data usage of roaming customers and informs customers through SMS to help them keep track on usage and bill value.

- Fixed telephony and data business

DBN, a wholly owned subsidiary of Dialog launched its commercial CDMA operations in July 2007 as the fourth fixed line telephony operator in Sri Lanka. DBN has since expanded its presence in both residential and enterprise segments increasing its total customer base to in excess of 425,000 as at 31 December 2014. DBN offers a wide range of fixed telephony solutions including fixed line voice, fixed broadband, hosted PBX, virtual private networks/internet leased lines and data centre solutions to suit the unique requirements of each customer. DBN's launch of the country's first 4G LTE TDD network in 2012 has enabled it to consolidate its position in the growing data market. As of 30 June 2015, Dialog offers wi-fi in over 2,500 hotspots across Sri Lanka.

- Tele-infrastructure business

DTI is a provider of telecommunications infrastructure services in Sri Lanka with over 2,300 shareable tower sites (with an external tenancy ratio of 0.82 times) as at 31 December 2014 and provides passive infrastructure as well as radio based transmission to a host of fixed and mobile operators, television and radio broadcasters and other network service providers in Sri Lanka. DTI also provides comprehensive backbone and metropolitan transmission connectivity via its Optical Fibre Network (OFN) which spans 2300km across Sri Lanka.

- Pay TV business

DTV, a wholly-owned subsidiary of Dialog, operates a direct-to-home digital satellite TV service and is the largest Pay TV operator in Sri Lanka with an estimated market share of 76 per cent. of the total number of Pay TV subscribers in Sri Lanka as at 30 June 2015. Dialog Television provides both international and local content across 116 channels in both standard definition and high definition formats alongside a portfolio of exclusive local channels. DTV benefits from exclusive partnerships with premium channels such as CNN, BBC and Cartoon Network for the enterprise sector and provides a host of several value added services which subscribers can access via SMS, USSD and the Dialog Selfcare Mobile App.

In 2012, DTV provided Sri Lanka's first HD broadcasting, in addition to Sri Lanka's first ever prepaid television service, "Dialog Per Day TV". Dialog's prepaid service brings Pay TV content to a wide spectrum of Sri Lankan households, enabling subscribers to customise channels and to pay for channels on a per day basis. DTV provides infotainment to over 534,000 households in Sri Lanka.

Strategic alliances

Dialog has a strategic alliance with Vodafone. The partnership enables Dialog to leverage on Vodafone's experience and portfolio of services to offer a comprehensive business product portfolio. The partnership covers a range of areas, including preferential roaming arrangements, sales collaboration and best-practice sharing.

In 2011, Dialog entered into a joint venture with Firstsource Solutions Ltd, India's largest listed pure-play BPO company and a leading global BPO services provider. The joint venture company is called Firstsource-Dialog Solutions (Pvt) Ltd ("**FDS**") and manages Dialog's customer contact management operations across its businesses. Dialog holds 26 per cent. of shares in FDS.

In April 2013, Dialog entered into an agreement with the Bay of Bengal Gateway ("**BBG**") consortium as part of the organisation's plans to boost the delivery of international bandwidth to Sri Lanka via a submarine cable landed in South Colombo in 2015, triggering the single largest infusion of international bandwidth to Sri Lanka. Other investors in the BBG consortium include Telecom Malaysia Berhad (Malaysia), Vodafone Group (UK), Reliance JIO Infocomm Limited (India), Oman Telecommunications Company S.A.O.G (Oman) and Emirates Telecommunications Corporation (UAE). The BBG submarine cable spans approximately 8,000 km from Singapore to Oman and the UAE connecting Sri Lanka with high capacity internet hubs in the Asian region as well as onward submarine cable systems to Europe and the United States.

In December 2013, Dialog was appointed as the first authorised partner and service provider for the Apple iPhone in Sri Lanka. The partnership with Apple allows Dialog to provide a range of benefits to Apple users in Sri Lanka. Dialog retails a range of Apple iPhones through its network of customer service centres throughout Sri Lanka. All iPhones sold through the Dialog network carries a one year Apple care warranty. Further Dialog extends expert customer care and technical support for the Apple iPhone across its service network for the convenience of Apple users in Sri Lanka.

Marketing, sales and distribution

Marketing

Dialog's marketing strategy focuses on the following:

- Brand building, advertising and promotions

Dialog's brand strategy is focused on maintaining its undisputed brand leadership in the Sri Lankan telecommunications sector. The brand has strong leadership status in all product lines (mobile, mobile & home broadband, fixed and Pay TV). The Sri Lankan public has further reinforced this leadership status by voting Dialog as the No.1 Telco Brand of the Year (for the fourth consecutive year) and No.1 Internet Service Provider of the Year (for the third consecutive year) at the SLIM-Nielsen People's Awards.

Dialog's brand and marketing strategy is positioned among Sri Lankan citizens and enterprises as a futuristic, youthful and an aspirational brand, widely accepted as a national leader in telecommunications and connectivity.

- Rewards programmes

Dialog supports a comprehensive portfolio of subscriber rewards programmes focused on rewarding subscribers for loyalty and continued usage of Dialog's services. Based on the wide spectrum of consumer segments addressed by Dialog, several rewards and loyalty programmes have been adopted, including "Star Points", which is Sri Lanka's largest rewards network and is a distinctive telecommunication based loyalty scheme aimed at rewarding customers with a wide variety of benefits, and "FlySmiles", which allows Dialog customers to earn air miles with Sri Lankan Airways' air miles scheme. Dialog also introduced "Lord of the Reload", a mobile lottery rewards program that provides instant regular rewards to subscribers. It is the only mobile lottery prize competition of its kind in Sri Lanka. Dialog rewards its high value customers through "Club Vision" and "Priority" loyalty membership programmes with a wide range of exclusive rewards and services spanning across the Dialog network and partner merchants island wide. Further, Dialog is one of the leading contributors to the "Nexus" partner network, which allows Nexus customers to accumulate and redeem points against Dialog invoices or goods and services purchased at Nexus partner outlets.

Sales and distribution

Dialog has established a wide dealer network operated primarily by 7 exclusive partners. These partners comprise over 1,000 staff across 143 direct outlets. Dialog also has a showroom dealer operating nationally with a branch network of over 350 branches. To optimise Dialog's regional presence, 54 regional dealers are assigned to specific regions. Dialog's dealer network has established points of presence for Dialog's products and services in all major towns and cities across Sri Lanka.

Dialog's distribution network as of 30 June 2015 comprised approximately 65,020 retail outlets and 141 Dialog Customer Experience Centres owned and managed by Dialog. Dialog opened its first Digital Experience Centre, 'The Dialog Iconic', in July 2015 as a showcase for the latest technology from around the world and allows customers to experience a multitude of devices and services offered by Dialog.

Billing

Dialog's billing system is integrated with its customer relationship management system, which supports multi-channel self-care requests. These include walk-in requests, a complaints management unit, facsimile, web, SMS, Unstructured Supplementary Service Data ("USSD") and Interactive Voice Response ("IVR") services, based on requirements. Dialog also maintains multiple interfaces to facilitate payments and/or payment collections from Dialog branches and arcades, banks,

supermarkets, franchise outlets, partner payment centres and fuel stations throughout Sri Lanka. Apart from these payment points, Dialog has further extended its payment collection modes to internet payments, standing orders, the Hongkong and Shanghai Banking Corporation “pay here” modes, payment through redemption of Star Points or gift vouchers, IVR, USSD, direct debit, automated payment via KIOSK machines and payment through Dialog eZcash.

Credit management and deactivation

Dialog’s credit management division focuses on providing an enhanced service to subscribers while adhering to credit policies which lead to a control of bad debts. The credit management division works towards achieving its principal aim of minimising bad debts and improving cash flow by reducing financial losses and controlling Dialog’s credit function effectively.

Competition

Dialog faces competition from Mobitel (Pvt) Ltd (Mobitel), Etisalat Lanka (Pvt) Ltd (Etisalat), Hutchison Telecommunications Lanka (Pvt) Ltd (Hutch) and Bharti Airtel Lanka (Pvt) Ltd (Airtel) in the mobile telecommunications sector in Sri Lanka. Competitors compete in terms of coverage, service portfolio and price. DNB’s main competitors in the fixed telephony and broadband sectors are Sri Lanka Telecom PLC (“SLT”) and Lanka Bell. Competition is mainly on fixed broadband solutions where SLT offers ADSL, LTE TDD and FTTH fixed broadband solutions whilst Dialog and Lanka Bell compete predominantly with LTE TDD. As at 30 June 2015, Dialog represents approximately 15 per cent. of the fixed broadband market.

In the Pay TV market, DTV’s main competitors are PEO TV (operated by Sri Lanka Telecom PLC) and LBN Cable operated by Lanka Broadband Networks (Pvt) Ltd and Dish TV operated by Dish TV Lanka (Pvt) Ltd. DTV has a Pay TV market share of approximately 76 per cent. (over 534,000 subscribers as of 30 June 2015) in a market of approximately 5 million households of which 88 per cent. own a television. Accordingly, there remains substantial growth within the Pay TV industry in Sri Lanka.

Dialog faces competition in all business domains, although Dialog’s features ensure that it is Sri Lanka’s leading telecommunications brand and leading operator in the mobile and Pay TV space.

Network, infrastructure and spectrum

Dialog’s network infrastructure spans mobile, international and internet services

Dialog maintains a leading position in Sri Lanka’s mobile market by investing in the widest coverage as well as the latest multimedia technologies and providing innovative mobile solutions to its subscriber base. Dialog’s BTS sites are distributed across all nine provinces of Sri Lanka with a network covering approximately 84 per cent. of the island geographically and approximately 97 per cent. of Sri Lanka’s population.

Through investment in its 3G and 3.5G network, Dialog has expanded mobile broadband services to 78 per cent. of Sri Lanka’s population.

Dialog achieved the distinction of being the first service provider in South Asia to launch 4G FDD LTE network in April 2013 and it has expanded its 4G LTE FDD coverage across main commercial and residential areas over the last two years. Dialog has made strong progress in the deployment of its fibre optic network, which spans 2,300 km across Sri Lanka, in an ongoing Internet Protocol (“IP”) transformation programme, its transmission network modernisation programme and the expansion of international bandwidth to meet the increasing demand for broadband services.

Dialog is a partner of the BBG undersea fibre optic cable consortium. The BBG submarine cable, spanning approximately 8,000 km from Singapore to Oman/UAE, connects Sri Lanka with high capacity internet hubs in the Asian region as well as onward submarine cable systems to Europe and the USA. Additionally, Dialog benefits from connectivity with major cable systems such as SEA-ME-WE-3, SEA-ME-WE-4 and FALCON.

DBN operates one of the largest transmission and communication networks in Sri Lanka which includes an island-wide digital microwave and fibre transmission backbone and a broadband capable last-mile infrastructure. DBN deploys its IP broadband access network using fibre optic, 4G LTE TDD, Wi-Fi, WiMax, and PtP/PtMP technologies, together with its island-wide IP MPLS backbone for high-speed voice, data and video communication and internet. DBN has also deployed a CDMA network based on 450 MHz and 800 MHz to cater to the voice connectivity requirements of the residential and enterprise customers.

The satellite-based DTH operation of DTV is the largest pay television operator in Sri Lanka. DTV uses state of the art technology, DVB-S and DVB-S2 with MPEG-4, offering a mix of HD and SD local and international channels. To minimise the effects of rain attenuation, Dialog invested in the upgrade of its uplink carrier power with Klystron Amplifiers enabled with AUPC. It is also equipped with a state of the art Network Operations Centre (“NOC”), ensuring quality of service to its customers with 24 hour customer service. Dialog operates in Ku Band occupying 5 transponders on IntelSat-12 satellite each with 36 MHz bandwidth (total of 180 MHz).

Dialog’s 2G GSM 900 frequency allocations are 2 x 7.5 MHz in each of the 907.5-915 MHz and 952.5-960 MHz frequency bands. For 2G GSM 1800, Dialog has been allocated 2 x 15 MHz, in the 1747.5-1762.5 MHz and 1842.5-1857.5 MHz frequency bands. Dialog has also been allocated 2 x 10 MHz 3G 2100 spectrum in the 1970-1980 MHz and 2160-2170 MHz frequency bands. Dialog’s 4G LTE FDD 1800 frequency allocations are 2 x 10 MHz in the 1767.5-1777.5 MHz and 1862.5-1872.5 MHz frequency bands whilst its 4G LTE FDD 2100 frequency allocations are 2 x 5 MHz in the 1965-1970 MHz and 2155-2160 MHz. For CDMA, DBN has been allocated 2 x 1.25 MHz frequency in the 450 MHz band and 4 x 1.23 MHz frequency in the 850 MHz band. DBN also operates on 75 MHz for 4G LTE TDD 2300, 2 x 14 MHz for WiMax and 463.5 MHz for Wi-Fi which it uses for the provision of data access services.

Robi

Robi provides mobile telecommunications services in Bangladesh and was the first operator to link the southernmost and northernmost parts of Bangladesh (Teknaf to Tetulia) and to provide seamless coverage along the Dhaka-Chittagong highway. Robi is also the first mobile operator in Bangladesh to integrate next generation network (“NGN”) IP backbone technology to enable it to implement IP traffic and signaling and the first operator to have successfully implemented fast link pulse technology, enabling Robi to offer more capacity in its radio network despite the narrow bandwidth of its GSM 900 and GSM 1800 network. Robi operates GSM mobile services in the 900 and 1800 MHz bands and has the widest international roaming coverage of any operator in Bangladesh, connecting 385 operators across 145 countries.

Robi is a joint venture company between the Group and NTT of Japan. It commenced operation in 1997 as Telekom Malaysia International (Bangladesh) with the brand name ‘Aktel’. In 2010 the company was rebranded to ‘Robi’ and the company changed its name to Robi Axiata Limited.

For the financial year ended 31 December 2014, Robi achieved 9.4 per cent. year-on-year revenue growth from 31 December 2013. Data revenue and SMS revenue recorded 120 per cent. and 26 per cent. yearly growth respectively, as compared to 2013.

The following table shows certain information relating to Robi Group’s revenues, adjusted EBITDA and PAT extracted from Robi Group’s audited financial statements for the financial years ended 31 December 2012, 2013 and 2014 and the unaudited financial statements for the six months financial period ended 30 June 2015:

	Financial Year Ended			Six Months Period Ended	
	31 December 2012	31 December 2013	31 December 2014	30 June 2015	
	BDT million	BDT million	BDT million	BDT million	USD million**
Revenue.....	38,953	45,171	49,423	25,115	323
Adjusted EBITDA ⁽¹⁾	12,081	15,557	18,504	9,126	117
PAT	911	3,652	4,396	1,867	24

Note:

- (1) Adjusted EBITDA is not a uniformly or legally defined financial measure. The Group defines adjusted EBITDA as net profit/(loss) before tax, interest expense/(income), depreciation, impairment and amortisation, other operating income/(expenses), other gains/(losses), foreign exchange gains/(losses), gain/(loss) on dilution of equity interests and share of results of associates and joint ventures. Adjusted EBITDA is presented because the Group believes it is a widely accepted financial indicator on an entity's ability to incur and service debt. Adjusted EBITDA should not be considered by an investor as an alternative to net income or income from operations, or as an indicator of the Group's operating performance or other combined operations or cash flow data prepared in accordance with generally accepted accounting principles, or an alternative to cash flows as a measure of liquidity or any measures of performance under Bangladeshi GAAP. The computation of adjusted EBITDA herein may differ from similarly titled computations of other companies. Adjusted EBITDA is not a measure of financial performance under Bangladeshi GAAP and should not be considered as an alternative to net cash provided by operating activities or as a measure of liquidity or an alternative to net income as indicators of operating performance or any measures of performance derived in accordance with Bangladeshi GAAP.

** USD1:BDT 77.82101

Subscriber base and usage

The following table shows certain information relating to Robi's mobile telecommunications subscriber base as of 31 December 2012, 2013 and 2014 periods indicated:

	As of		
	31 December 2012	31 December 2013	31 December 2014
Number of subscribers ('000)			
Postpaid.....	252	316	533
Prepaid.....	20,788	25,065	24,756
Total number of subscribers	21,039	25,380	25,289
Number of mobile subscribers in Bangladesh ('000) ⁽¹⁾	97,180	113,784	120,350
Bangladesh mobile penetration ⁽²⁾	60%	71%	76%
Market share ⁽³⁾	21.6%	22.3%	21.0%
ARPU (BDT per month)			
Postpaid.....	583	451	260
Prepaid.....	165	157	155
Average monthly MOU per subscriber			
Postpaid.....	482	306	180
Prepaid.....	159	153	148

Notes:

- (1) Figures are extracted from "Mobile Phone Subscribers In Bangladesh" figures at the relevant dates published by the Bangladesh Telecommunication Regulatory Commission ("BTRC") on their website at www.btrc.gov.bd.
- (2) These figures represent Robi's own internal estimates.
- (3) Computed as the BTRC's estimate of its total number of subscribers divided by the number of mobile subscribers in Bangladesh as extracted from the information referred to in Note (1) above.

As of 31 December 2014, Robi's active subscriber base decreased marginally to 25.3 million from 25.4 million as of 31 December 2013, partly as a result of the adoption of a new definition of subscribers by BTRC. Robi's subscriber base consists mainly of prepaid users, which account for approximately 98 per cent. of the total number of subscribers as of 31 December 2014. As of 30 June 2015, Robi had increased subscribers to 27.4 million, representing 32 per cent. of the total industry growth in additional subscribers. Robi has continued to grow its subscriber base, due to improvements in distribution and regional strategies, by focusing on customer retention and re-activation of inactive customers despite slower industry growth due to continued SIM tax on acquisitions and additional supplementary duty.

Services and products

- *Prepaid and postpaid services*

With a focus on innovation, Robi continues to introduce innovative products and services, targeting specific customer segments and specific outcomes.

- *Prepaid Services*

Robi's prepaid products offer subscribers a wide variety of benefits through various campaigns and flexibility in the use of such benefits. Benefits are dependent on the individual product offering but may include offers, depending on the product offerings include unlimited free Facebook surfing, bonus offers which provide free on-net minutes and SMS, friends and family preferential rates and other added values.

- *Postpaid Service*

Robi's postpaid services represent convenient, cost effective, affordable and value for money offers. New Robi postpaid subscribers enjoy free SIMs, activation bonuses including data, SMS and MMS in addition to value added services such as free news alerts and call blocking, for a period of three months. Robi also offers combination voice and data bundles. Robi also provides postpaid subscribers a default loyalty program membership and numerous other benefits.

Value-added services

Robi's subscribers are increasingly using its value added services ("VAS"), in particular p2p SMS, information services, entertainment services including Live TV and video on demand, music, downloadable content, ring back tone services, balance transfer and many more. Robi's customer care centres provide training on use of these services. Robi offers some of these services free of charge with promotions, though generally these services carry usage-based fees.

Data Business

Data Business makes a significant contribution to Robi's Non Voice revenues. With the advent of 3G in Bangladesh, Robi is striving to become a market leader for mobile data. Year on year, data revenues grew 120 per cent. in 2014 compared to 2013. Data contribution to Gross Revenue stands at 5.8 per cent. for the financial year ending 31 December 2014. As of 30 June 2015, data contribution to Gross revenue stood at 9.5 per cent. To achieve this, Robi is consistently building its capabilities in people, platforms and network.

Robi's data businesses include, amongst others:

Simplified Internet: In 2014, Robi was the first market participant to offer Simplified Internet which offers significantly smaller data bundles at a fixed speed, with no speed variation that is dependent on service availability.

Robi MyNet: This is a user-designed internet bundle to offer customers flexibility in choosing the features of their internet service. This service is also being introduced for voice services.

Sponsored Web Pass: Robi became the first telco in Bangladesh to launch Sponsored Web Passes, whereby the subscribers are allowed to use free internet for a specified quota, with the cost borne by a third party in lieu of ad banners being displayed. Robi sold more than 1,000,000 passes within 15 days of launch.

International Roaming

Robi leverages on its access to Axiata partner operators to provide both inbound and outbound international roaming services to customers.

Robi currently has roaming coverage with 385 roaming partners in 145 countries. Outbound roaming call rates are set by the roaming partners.

For outbound roamers, as a part of the service simplification initiative commencing in February 2015, Robi offers simple and affordable rates in 100 countries for postpaid roaming customers. Rather than having to select any particular operator or operators, Robi offers a single rate for any operator in a particular country among the 100 countries. In addition, Robi also offers a daily data roaming pack in 72 countries. To access the special offer, Robi postpaid customers need to subscribe to Robi's Roaming Service and call for free registration. A prepaid roaming service is offered to Robi outbound roaming customers in six countries and Robi also allows inbound roaming for prepaid customers from more than 50 countries as of April 2015. Customers receive data roaming usage alerts in an effort to reduce bill shock and Robi maintains a dedicated roaming helpline to serve customer complaints and queries.

Digital service

Robi became the first network operator in Bangladesh to launch domestic mobile money transfer services in partnership with bKash (a subsidiary of BRAC Bank in Bangladesh), providing m-wallet and other mobile financial services ("MFS") aimed at capturing a fast growing user base with daily throughput of over USD1,000,000,000. Robi launched the "Recharge Plus" brand to make Airtime Sales transnational through alternate digital channels, assuring product availability and reach for users. Robi also launched utility bill pay services in affiliation with the Bangladesh Power Authority Board ("BPDB"), covering more than 60 per cent. of the BPDB consumers. Further, MIFE, working as an enabler at GSM, looks at connecting international entities with the local market, giving them exposure to a subscriber base of over 100,000,000, solely connected through Robi.

Robi also introduced BDApps, the first application store in Bangladesh with Direct Operator Billing ("DOB") and SMS based applications for a customer base of over 25,000,000. Robi has also obtained a Vehicle Tracking Licence and aims to provide a VTS solution to a market of over 2,000,000 vehicles.

Strategic alliances

In addition to the relationships with banks in Bangladesh for the provision of mobile commerce services as described above, Robi has several strategic alliances with its competitors and mobile commerce related alliances with Eastern Bank Ltd and BRAC Bank Ltd.

Marketing, sales and distribution

Marketing

Robi's marketing strategy focuses on winning key markets and providing a customer-centric product offering. Robi intends to focus on the acceleration of mobile adoption in low penetrated regions on a granular basis (as well as maintaining its focus on developed regions) through initiatives to gain market share, increase revenue, develop brand differentiation and improve customer satisfaction. The emergence of new devices is expected to boost the bottom of the pyramid segment with the provision of low cost devices that are attractive to the broad market.

Robi have a professional brand communications team specifically recruited to deliver such campaigns and work with two of Bangladesh's leading advertising agencies, AdComm and Bitopi. Robi utilises all possible media and has sound relationships with all major TV stations and newspapers in Bangladesh. Robi recognises the current significance of social media as a top channel to engage the

mass population. According to Socialbakers (the Social Network Reporting Company), Robi has maintained the leading position since July 2014 among the telecom brands worldwide. Robi has also secured its position as the 'Most Socially Devoted' Brand in the Global Telecom Industry and second amongst all the Global Brands combined from January 2015. Currently Robi's Facebook followers stand at 5,000,000.

- *Advertising*

Robi produces high impact, high profile advertising campaigns with a view to becoming a nationally recognised brand. Campaigns target both new and existing customers to inform them of the latest innovations and product offerings. The advertising centres on the brand promise, 'Ignite the power within', builds upon Bangladesh values and culture and seeks to inspire the young people of Bangladesh.

Many of Robi's campaigns are considered iconic and some of the advertising copy is now integrated into Bangla culture and language. Robi always use Bangladeshi talent when producing commercials in an effort to support the national media and entertainment industry.

- *Brand sponsorship*

As part of the national brand strategy, Robi is now the sponsor of the Bangladesh National Cricket Team. Robi has entered into partnership with key national team cricketers as Robi ambassadors, advertising during international cricket matches, and initiating nationwide campaigns targeting cricket fans.

In addition to its advertising, Robi sponsors many charities and cultural organisations as well as initiatives. Robi aspires to be considered as one of Bangladesh's most valued consumer brands.

Sales and distribution

Robi has restructured its sales and distribution, delayering from a three tier to a two tier distribution structure. As at 30 June 2015, Robi had four cluster markets with 15 regions and 99 areas. Robi sold its products through its distribution network of dealers consisting of 144 distributors with 222,000 online recharge, 52,000 SIM and 107,000 data selling retail outlets. Prepaid subscribers can reload vouchers electronically at all online outlets, its five customer experience centres, 20 Walk In Centres ("WIC"), 11 mini WIC's, 200 distributor-owned Robi Sheba Points and more than 8,000 retail based Robi Sheba desks. To serve these huge retail outlets Robi distributors employ more than 3,000 Distributor Sales Representatives ("DSR"). Robi has partnerships with different alternative indirect channels such as self-service kiosks, electronic POS machines and bank ATM booths which also sell Robi reload cards. For inbound roaming customers, Robi has a sales and service point in the Hazrat Shahjalal International Airport of Bangladesh.

Robi employs over 4,500 sales employees (direct and indirect), who are responsible for executing sales and marketing activities in the markets in which it operates. The Robi sales team continues to strive to cater to the changing needs of the telecom markets. Currently the sales team has different units under the Robi central sales team, such as trade marketing, market development, channel operations, micro clusters and strategic projects units. Each team has its specific roles to enhance the regional operations and ensure the right quality and quantity of Robi's products are accessible to customers.

Robi introduced performance based sales incentives for both regional managers and area managers on a monthly basis. Under different schemes, Robi also provides performance based financial and logistics support to its exclusive customers.

Robi has a dedicated enterprise business team looking after its corporate and SME subscribers. As at 30 June 2015, Robi had more than 550,000 subscribers in its corporate and SME base.

Competition

As of 31 December 2014, according to figures released by BTRC, Robi had a customer market share of 21.0 per cent. in Bangladesh. Robi faces intense competition from the five other mobile operators in Bangladesh, being Grameenphone (the largest mobile services provider with a market share, as of 31 December 2014, of approximately 42.8 per cent.), Banglalink (with a market share of approximately 25.7 per cent.), Airtel (with a market share of approximately 6.2 per cent.), Citycell (with a market share of approximately 1.1 per cent.) and Teletalk (with a market share of approximately 3.2 per cent.).

Based on the published report of the major three operators, namely Grameenphone, Banglalink and Robi, as of June 2015, Robi is valued second in respect of revenue market share in Bangladesh. The leading operator, Grameenphone, holds 51.6 per cent., Robi 25.4 per cent. and Banglalink 23.1 per cent.

Network infrastructure and spectrum

The principal components of Robi's network consist of:

- Core network, which comprises MSC (Transit T) MSC, Gateway (G) MSC and Visiting (V) MSC, Media Gateway, core routers (Mobile Packet Backbone Network), SG (Signaling Transfer Point), Home Location Register, Serving GPRS Support Node and Gateway GPRS Support Node and Service-Aware Policy Controller (for Packet Core).
- Intelligent Network, which comprises the service control point and the service data point and all other relevant associated nodes.
- Radio, which comprises BSC, RNC, BTS and Node-B.
- Transmission, which comprises Plesiochronous digital hierarchy (“**PDH**”), Synchronous digital hierarchy (“**SDH**”) and optical fibres.
- Network monitoring system for core, radio, IN and transmission. The monitoring and operations & maintenance system for each element is separate and based on the server and client architecture. However, the integrated network management system (“**INMS**”) platform in the central monitoring centre in Dhaka is capable of monitoring any node of any vendor from a single point.

Robi is partnered with Alcatel, Ericsson, Huawei and Stratex for its network and transmission equipment and also utilises suppliers such as Huawei and CISCO for IT equipment.

In terms of transmission infrastructure, Robi has nearly 700km of its own fibre, comprising of a backbone structure between Dhaka-Chittagong, Dhaka-Sylhet and Lemua-Noakhali and metro fibres primarily in Dhaka and Chittagong cities. Robi has also leased one pair of dark fibre from Power Grid Company between Chittagong and Cox's Bazar and currently has a total of 18,500km leased fibre from local NTTN. Robi has high capacity microwave backbones between Dhaka and Sylhet, Dhaka and Bogra/Rangpur, Dhaka and Khulna/Barisal and between Dhaka and Rajshahi. Robi has more than 12,600 towers across the country, of which 2,000 green field towers are providing significant coverage in rural areas and supporting transmission spur link.

Robi's network operation centre comprises head offices in 15 regions and 27 sub-operation and maintenance centres with its network monitoring centre in Dhaka. The platform is based on an INMS capable of integrating and monitoring multi-vendors.

As of 30 June 2015, Robi had network coverage extending to approximately 99 per cent. of Bangladesh's population.

Robi's network is based on the GSM 900 and GSM 1800 standard (2G). Robi has deployed nationwide GPRS and EDGE for data services such as internet/WAP browsing, MMS and content downloads. Robi has 100 per cent. BTS EDGE coverage throughout Bangladesh. Robi has also deployed 3.5G network for superior data experience and has approximately 30 per cent. population coverage throughout the country.

Robi's GSM 900 frequency allocations are 2 x 7.4 MHz. Robi's frequency allocations for GSM 1800 are 2 x 7.4 MHz. Robi's 3G 2100 frequency allocation is 2 x 5 MHz.

Smart (Cambodia)

Smart is a wholly owned subsidiary of Axiata and a limited liability company incorporated in Cambodia. Axiata acquired a 51 per cent. equity interest in Cambodia Smart Communication Company Limited ("Casacom") in 1998, before acquiring the remaining 49 per cent. in 2006. Casacom was renamed as Telekom Malaysia International (Cambodia) Company Limited and traded under the brand name Hello ("Hello"). Hello changed its name from Telekom Malaysia International (Cambodia) Company Limited to Hello Axiata Company Limited on 23 February 2010. The strategic merger of Hello and Smart Axiata Co., Ltd (formerly known as Latelz Co., Ltd) (Smart) in December 2012 was completed in February 2013. As a result, Axiata now holds a subsidiary stake in the combined entity and emerged as one of the largest operators in Cambodia in terms of subscribers and revenue. The merged entity operates under the brand name Smart Axiata.

Smart commenced commercial operations in 2009 and operates 2G (GSM 900 and GSM 1800), 3G (W-CDMA 2100) and as of January 2014 4G (GSM 1800) mobile services. Smart provides coverage in all 25 provinces in Cambodia. Assignment of spectrum in the main spectrum bands includes 25 MHz 1800 MHz band (Up Link + Down Link each), 9.3 MHz 900 MHz band (Up Link + Down Link each) and 20 MHz 2100 MHz band (Up Link + Down Link each).

Smart offers subscribers a broad range of mobile telecommunications services including prepaid, postpaid (including products designed as business solutions), international roaming and data roaming. Since January 2014, Smart has been the first operator in Cambodia to offer 4G LTE services. Smart offers products and promotions such as SmartLaor, Super 40 tariff and the Smart Xchange programme in addition to VoIP packages for international calls and value added services including SmartLoan, iCall uPay, 3G Box and Smart Box.

The Group believes that Smart is one of the top three mobile operators in Cambodia with approximately 7.1 million subscribers as of 30 June 2015. For the financial year ended 31 December 2014, Smart achieved 40 per cent. year-on-year revenue growth as compared with the financial year ended 31 December 2013.

The following table shows certain information relating to Smart's revenues, adjusted EBITDA and PAT extracted from Smart's audited financial statements for the financial years ended 31 December 2013 and 2014 and the unaudited financial statements for the six months financial period ended 30 June 2015:

	Financial Year Ended			Six Months
	31 December 2012	31 December 2013	31 December 2014	30 June 2015
	USD million	USD million	USD million	USD million
Revenue.....	N/A ⁽²⁾	128	180	115
Adjusted EBITDA ⁽¹⁾	N/A ⁽²⁾	42	77	58
PAT.....	N/A ⁽²⁾	12	32	28

Note:

- (1) Adjusted EBITDA is not a uniformly or legally defined financial measure. The Group defines adjusted EBITDA as net profit/(loss) before tax, interest expense/(income), depreciation, impairment and amortisation, other operating income/(expenses), other gains/(losses), foreign exchange gains/(losses), gain/(loss) on dilution of equity interests and share of results of associates and joint ventures. Adjusted EBITDA is presented because the Group believes it is a widely accepted financial indicator on an entity's ability to incur and service debt. Adjusted EBITDA should not be considered by an investor as an alternative to net income or income from operations, or as an indicator of the Group's operating performance or other combined operations or cash flow data prepared in accordance with generally accepted accounting principles, or an alternative to cash flows as a measure of liquidity or any measures of performance under Bangladeshi GAAP. The computation of adjusted EBITDA herein may differ from similarly titled computations of other companies. Adjusted EBITDA is not a measure of financial performance under Bangladeshi GAAP and should not be considered as an alternative to net cash provided by operating activities or as a measure of liquidity or an alternative to net income as indicators of operating performance or any measures of performance derived in accordance with Cambodian GAAP.
- (2) No information is presented as the Group acquired Smart in February 2013.

OTHER OPERATING COMPANIES AND STRATEGIC INVESTMENTS

Idea (India)

Idea is a public company (Idea Cellular Limited) that commenced operations in January 1997, and was subsequently listed on the Bombay Stock Exchange and the National Stock Exchange (of India) in March 2007. As of 30 June 2015, the shareholding of the Group in Idea was 19.78 per cent. Idea was the first company in India to commercially launch the next generation EDGE Technology which it did in Delhi in 2003. In 2008, Idea secured licences for 7 remaining circles of spectrum in India and by 31 December 2009, it was operating in all 22 service areas. Through its subsidiary, Aditya Birla Telecom Limited, Idea holds 16.0 per cent. in Indus Towers Limited, a joint venture established with Bharti Infratel and Vodafone Essar Limited, to provide passive infrastructure services in 15 service areas.

Idea is the third largest mobile telecommunications operator in India with a revenue market share of 18.2 per cent and over 160 million subscribers as at 31 March 2015, with pan India operations offering voice, data and other value added services. Idea provides GSM-based 2G and 3G mobile telecommunications services in all 22 service areas in India and 21 service areas respectively. Idea also provides Wi-Fi services in select locations and has the capability to launch 4G in earmarked service areas based on the spectrum it acquired in February 2014 and March 2015 auctions. It has its own National Long Distance (“NLD”) and International Long Distance (“ILD”) operations, and an Internet Service Provider (“ISP”) licence. Idea offers Mobile Banking Services through a Bank-led model, under the name ‘Idea Money’, in selected markets.

Idea's robust network coverage is available in over 360,000 towns and villages through a network of 149,196 2G and 3G cell sites as at 30 June 2015. Using the latest technology, Idea provides world-class service delivery through the most extensive network of service centres, including over 6,120 exclusive Idea stores. Idea is also focused on improving its optical fibre cable (“OFC”) transmission network in tandem with the growing demand for data. Idea has approximately 93,200 km of OFC transmission network.

For the financial year ended 31 March 2015, Idea posted a total revenue of INR320.4 billion, a growth of 19.8 per cent. as compared with the previous year. Idea's EBITDA of INR112.8 billion, reflects a growth of 32.4 per cent. as compared to the previous year. The consolidated profit after tax stood at INR31.9 billion, up by 62.3 per cent. compared to the previous year. Idea's strong growth in the Indian telephony market is supported by its high penetration in non-urban and rural markets.

M1 (Singapore)

M1 provides mobile and fixed telecommunications services to approximately 1.9 million wireless customers and 0.1 million fixed subscribers in Singapore. Established in 1997, M1 was the first operator to offer nationwide 4G services, as well as ultra high-speed fixed broadband, fixed voice and

other services on the Next Generation Nationwide Broadband Network (“NGNBN”). In December 2014, M1 also launched Singapore’s first nationwide Long Term Evolution-Advanced (“LTE-A”) service. M1’s strategy is to focus on network quality, customer service, value and innovation, and its mission statement is to link anyone and anything; anytime, anywhere. As at 30 June 2015, Axiata held a 28.3 per cent. interest in M1 through Axiata Investments (Singapore) Limited, its wholly-owned subsidiary.

M1 holds Facilities-Based Operator and Services-Based Operator licences issued by the Infocomm Development Authority of Singapore (“IDA”), for the provision of telecommunication systems and services. M1 also has a Telecommunication Dealer’s Class Licence, for the import and sale of telecommunications equipment, as well as licences issued by the Media Development Authority of Singapore, for the provision of Internet and MiBox TV services.

M1 operates nationwide 4G/LTE (“**Long Term Evolution**”) Advanced, 3G/High Speed Packet Access (“HSPA”) and 2G (“GSM”) mobile networks, capable of download speeds of up to 300Mbps and upload speeds of up to 150Mbps. Through these networks, M1 provides customers with a wide range of voice, data and value-added postpaid and prepaid mobile services. M1 offers service plans with a choice of voice and data bundles. M1 also makes available International Direct Dial (“IDD”) services through the 002 and 021 prefixes, as well as an International Calling Card service using the prefix 1818. It also trades wholesale voice minutes with other international and local service providers, as well as provides dark fibre services to carriers and data centres. Since September 2010, M1 has offered residential customers a range of fibre broadband services with speeds of up to 1Gbps, including fixed voice and other value added services.

As of 30 June 2015, M1 had approximately 1.9 million mobile subscribers, of which 62 per cent were postpaid subscribers and the remaining prepaid subscribers. The postpaid mobile segment remains the key contributor to M1’s revenue. With approximately 23 per cent. market share of Singapore’s mobile subscribers, M1 is ranked third by customer market share according to Infocomm Development Authority of Singapore (“IDA”) and information obtained from the respective Singapore telecommunications providers. In April 2014, IDA effected a regulatory change which reduced the number of prepaid SIM cards per customer from ten to three. As a result, M1’s prepaid customer base decreased to 714,000 as at 30 June 2015. M1 continued to champion fibre services with the launch of competitive service plans and complementary services in both the residential and corporate segments; and saw its fibre subscribers growing year on year. As at 30 June 2015, M1 had approximately 114,000 fibre subscribers.

Cessation of 2G

On 15 June 2015, M1, Singtel and Starhub made a joint media statement to announce that the mobile operators in Singapore will cease the provision of all 2G services in Singapore with effect from 1 April 2017. This will apply to 2G voice, messaging and data services. Mobile networks have evolved since the launch of 2G service in 1994, and Singapore’s extensive modern 3G and 4G mobile networks have led to high smartphone ownership and usage rates. In response to consumers’ increased demand for mobile data and faster access speeds, the spectrum currently used for 2G will be used to provide faster, more advanced 3G and 4G services.

Spectrum Auction

In April 2014, IDA consulted the public on the allocation of radio spectrum for mobile broadband services as well as the introduction of further competition to enhance the vibrancy of the mobile and wireless landscape in Singapore. IDA is proposing an auction intended to take place in early 2016 to make available a total of 225 MHz spectrum for mobile services which includes the 700 MHz, 900 MHz, 2.3 GHz and 2.5 GHz bands. IDA has also proposed to reserve 60 MHz out of 225 Mhz in the spectrum allocation exercise to facilitate the entry of a new mobile network operator in Singapore. The new entrant which successfully bids for this new entrance is required to deploy its own network and achieve nationwide rollout by the end of September 2018.

M1's operating revenue for the full financial year 2014 increased 6.8 per cent. to SGD1,076.3 million as compared with SGD1,007.9 million for the year ended 31 December 2013. Service revenue increased 1.4 per cent. to SGD831.1 million from SGD819.8 million for the year ended 31 December 2013, driven by growth in postpaid mobile and fixed customer base, as well as higher revenue from mobile data. For the same period, net profit after tax increased 9.7 per cent. to SGD175.8 million, with margin on service revenue increasing 1.7 percentage points to 21.2 per cent.

edotco

edotco Group is an integrated telecommunications infrastructure services company established in October 2012 as part of Axiata's long-term strategy to expand beyond its core mobile business. edotco's core business function is the provision of telecom infrastructure solutions but it also provides end-to-end solutions in the tower services sector including co-locations, built-to-suit, energy, transmission and operations and maintenance. As the first regional tower services provider in Asia, edotco expanded through the provision of cost-efficient telecommunications infrastructure, competitively priced access and connectivity to the industry across communities. As at 30 June 2015, edotco manages over 14,000 towers across Malaysia (3,530), Sri Lanka (2,096), Bangladesh (6,933) and Cambodia (1,643), and 12,000 km of fibre in Pakistan. edotco's tower infrastructure solutions are intended to help operators maximise their network reach and speed-to-market in the countries in which edotco operates.

edotco owns 100 per cent. of edotco Malaysia and 49 per cent. of edotco Bangladesh. Each of edotco Sri Lanka, Cambodia and Pakistan are run via managed service contracts. edotco's acquisition of 80 per cent. of edotco Cambodia is anticipated to conclude before 31 December 2015. edotco's acquisition of 100 per cent. of edotco Pakistan will conclude upon approval for the acquisition being granted by the Pakistan Telecommunication Authority.

edotco announced its acquisition of a controlling stake in Digicel Myanmar Tower Company Ltd ("MTC") through its Singapore based holding company, Digicel Asian Holdings Pte Ltd. edotco has assigned the acquisition with an enterprise value of USD221.0 million on a cash free and debt free basis, to be settled in cash for approximately USD125.0 million (after adjusting for external borrowings and other working capital requirements) in November 2015. edotco believes Myanmar represents a unique opportunity in the region due to its low mobile penetration, favourable regulatory conditions and high reliance on tower and infrastructure sharing. This provides edotco growth opportunities in Myanmar's passive telecommunications infrastructure market.

edotco monitors new opportunities both within and outside its existing footprint in line with its investment criteria.

Since 2012, edotco has increased the tenancy ratio of its towers across the footprint and achieved greater operational efficiency. edotco has met its committed service levels in each of its operating entities and achieved higher cost savings in terms of tower capex, land and energy charges. Additionally, as part of its green energy focus, edotco introduced alternate technologies in 239 pilot sites and implemented "echo", a remote monitoring system that provides real-time visibility and monitoring of its sites. These efforts translate directly into cost savings and higher uptime for both the Group and the external operators that edotco supports.

Axiata Digital Services

Axiata established Axiata Digital Services ("ADS"), the Group's digital services arm in 2012. Axiata established ADS to assist its expansion, development and potential acquisition within the digital ecosystems and to aid its transition into a next generation telecommunications company. ADS provides a platform outside of Axiata's traditional telecommunications services to compete with OTT service providers and to address increased customer demand for online content.

ADS' traction in developing markets has been aided by its ability to leverage on Axiata's consumer marketing information available to the Group through the Group's existing customer base. ADS has demonstrated, based on a cohort of test samples performed by ADS, that providing customers with appropriate digital services can increase ARPU by 26 per cent. (postpaid customers) and 23 per cent. (prepaid customers). In addition to increased ARPU, the provision of digital services to customers has seen a corresponding churn reduction of 48 per cent. (registered users) and 61 per cent. (active users).

ADS' strategy is based on four main objectives: (i) to participate in digital and OTT adjacencies that enhance the Group's core business revenues; (ii) to leverage the Group's core assets to enter attractive digital adjacencies and generate new sources of value; (iii) to transform Axiata's telecommunications services into an OTT business; and (iv) to assist Axiata in acquiring the necessary mind-set, skills and capabilities necessary to become a next generation telecommunications provider. To achieve its strategies, ADS is focused on the following business lines consisting of (a) Digital Advertising; (b) E-Commerce/Marketplace; (c) Mobile Money; and (d) Digital Entertainment and Education; while exploring disrupter models like FreedomPop. To further aid the digital ecosystem, digital enablement and innovation funds were launched, for example the Axiata Digital Innovation Fund ("ADIF"), a RM100 million venture capital fund in partnership with Malaysia Venture Capital Management Berhad ("MAVCAP"), is part of Axiata's corporate social responsibility initiative and is intended to encourage and spur innovation and growth of Malaysia's digital ecosystem. As at 30 June 2015, ADS oversees 28 businesses and brands under its portfolio.

Digital services portfolio

Digital Advertising

Adknowledge Asia Pacific, a strategic joint venture between ADS and Adknowledge International, Inc., work with brands, advertising agencies and application developers across Asia Pacific to provide data driven advertising strategies designed to raise brand awareness, drive sales and application installs through digital video, mobile and social media marketing. Adreach, XL's multi-operator mobile advertising service caters to over 350 brands, advertisers and agencies and delivers mobile and digital advertising to mobile subscribers for XL, Telkomsel and Indosat within Indonesia.

E-Commerce/Marketplace

Elevenia, is a digital commerce site established by a joint venture between XL and SK Planet and launched in Indonesia in March 2014. Building on the SK Planet partnership in Indonesia, Celcom entered into an agreement with SK Planet and successfully launched 11street.my in April 2015. Wow.lk, a digital commerce site in Sri Lanka was launched in 2012. Wow.lk has expanded into online classified businesses and launched HitAD.lk through a strategic partnership with Sri Lanka's largest print classified business. There are collectively more than 1 million listings on these sites with more than 30 million hits and 8 million visitors monthly.

Mobile Money

In 2012, international award winning mobile money service, eZcash was launched in Sri Lanka and is accessible to over 70 per cent. of all mobile subscribers in Sri Lanka and enables more than 20,000 retail points. In Indonesia, XL Tunai is a top Digital-Money offering with more than 1 million registered users. In 2015, eZcash won the NFC & Mobile Money award at the 2015 Global Mobile Awards. The Group is working towards launching mobile money services in other Axiata markets.

Digital Entertainment and Education

Gudang Aplikasi, is an application store developed by XL in Indonesia with 3.0 million users and over 24,000 content and applications for download as at 30 June 2015. Guru.lk. launched in 2014 is a partnership between Dialog and Headstart Limited focusing on e-learning business in Sri Lanka, specifically, on content delivery.

Multinet

Multinet is a leading independent telecommunications solution provider in Pakistan, operating a nationwide optical fibre cable network, connecting the major cities across Pakistan. The network enables Multinet to offer multiple cutting-edge business services solutions for the carrier and Enterprise B2B segments such as point-to-point data connectivity, domestic and global Multi-Protocol Label Switching, broadband data, two-way video, data centre facilities and secure bandwidth solutions for businesses. Over its 10 year history, the company has transformed and grown to become a successful enterprise with a workforce of over 750 telecommunications professionals with a blue chip carrier client portfolio, both domestic and international. The Multinet team has an unbeaten track record of consistently delivering better than 99 per cent. availability and uptime. The key to Multinet's success has been its B2B focus and its vision to be the leading IT/infrastructure company in Pakistan. The Group holds an 89.0 per cent. share in Multinet.

CUSTOMERS AND SUPPLIERS

For each of the two financial years ended 31 December 2013 and 2014, other than Ericsson AB and Huawei International Pte Ltd, there are no major suppliers that individually contributed 10.0 per cent. or more of the Group's total purchases of network equipment; and no major suppliers individually contributed 10.0 per cent or more of the Group's total operating expenses. See, however, "*Risk Factors — Risks Relating to the Operations of the Group and its Businesses — The Group relies on manufacturers of telecommunications equipment and network facility providers, as well as other external suppliers, for the Group's key technical support platforms and systems*".

INTELLECTUAL PROPERTY

The Group relies on a combination of trademarks, servicemarks and domain name registrations, copyright protection and contractual restrictions to protect its brand names and logos, marketing designs and internet domain names. See also "*Risk Factors — Risks Relating to the Operations of the Group and its Businesses — The Group may not be able to adequately protect its intellectual property, which could harm the value of its brands and products and adversely affect its businesses; it may also be subject to infringement actions in connection with its use of third party intellectual property*".

Celcom is the registered owner in Malaysia of, amongst others, the trademark "Celcom". In Indonesia, XL is the registered owner of, amongst others, the trademarks "XL", "Xpand", "Xplor", "bebas" and "jempol". In Sri Lanka, Dialog is the registered owner of, among others, the trademark "Dialog". In Bangladesh, Robi is the registered owner of, amongst others, the trademark "Robi". In Cambodia, Smart is the registered owner of, amongst others, the trademark "Smart Life".

The Group is the registered owner of the trademarks "Axiata" and the prism symbol in Malaysia, Singapore, Thailand, Vietnam, Cambodia, Indonesia, Philippines and Sri Lanka. Registration of these trademarks in Bangladesh, India, Pakistan, Australia, Brunei, China, Hong Kong, Japan, Korea, Laos, Macau and New Zealand are still pending. "Axiata Roam" logo is registered in Cambodia, Indonesia, Malaysia and Singapore. The applications are also still pending for the "Axiata Roam" logo in Bangladesh, Sri Lanka and India.

INSURANCE

The Group maintains insurance policies with registered insurance companies in Malaysia and overseas, which cover material damage to property and assets, business interruption, public liability, employer's liability, directors' and officers' liability, motor liability, construction and erection liability, money-in-transit and in premises, surgical hospitalisation expenses, fidelity guarantee, marine-related liabilities, goods-in-transit, group accident, term life and business travel accident, political violence coverage.

The policies stated above may not fully cover all potential damage or loss the Group may suffer. The quantum of cover taken on the existing policies for incidents may not be sufficient to fully recover the loss or damage suffered. In addition, claims on losses may not be paid in full as pay-outs for claims are governed by, inter alia, the terms and conditions of the policies. See “*Risk Factors — Risks Relating to the Operation of the Group and its Businesses — The insurance cover which the Group has in place does not cover all of the risks that it faces, and the occurrence of events that are not covered by its insurance could cause losses, which, if significant, could adversely affect the financial condition of the Group*”.

BUSINESS CONTINUITY

There have been no interruptions in the business of the Group during the 12 months preceding 30 June 2015 which have had, or Axiata believes, may have, a significant effect on the financial position of the Group.

EMPLOYEES

The following tables set out the aggregate number of employees of each of the key operating subsidiaries and associates of the Group as of 30 June 2015:

	Number of Employees as of 30 June 2015
Celcom	4,172
Dialog.....	3,023
Smart.....	900
Robi.....	1,779
XL.....	2,069
M1.....	1,490
Idea	15,776
edotco Group	149
Axiata (including ADS).....	236
Total	29,594

The Group and each of the operating companies offer and provide various training and development programmes to their employees with the objective of equipping their respective workforces with the requisite knowledge and skills geared toward facing the growing challenges of the business of the Group.

The Group believes that labour relations with employees within the Group are generally positive. There have not been any industrial disputes, which may have a material adverse effect on the financial or business position of the Group, involving Group employees in the past.

PROPERTIES

Details of the land and buildings owned or leased by the Group as of 31 December 2014 are as follows.

Location	Freehold		Leasehold		Net book value of land	Net book value of buildings
	No. of Lots	Area No. (’000 sq ft.)	No. of Lots	Area (’000 sq ft.)	RM’000	RM’000
1. Malaysia	20	561.5	49	2,053.0	26,569.2	34,058.1
2. Indonesia	—	—	8,007	25,836.0	362,678.3	62,362.1
3. Sri Lanka	34	9,214.9	—	—	16,244.6	26,945.0
4. Bangladesh	259	2,032.7	5,588	3,295.8	9,045.7	4,842.8
5. Cambodia.....	—	—	—	—	—	3,094.8
6. Pakistan	46	1,366.4	—	—	6,414.6	1,265.6
Total	359	13,175.5	13,644	31,184.8	420,952.4	132,568.4

LEGAL PROCEEDINGS AND DISPUTES

Except as disclosed below, neither Axiata nor any of its subsidiaries is or has been a party to, and none of its or their respective property is subject to, any current, pending or threatened legal proceedings, which may have a material adverse effect on the financial position or business of the Group.

Celcom Trading Sdn Bhd (formerly known as Rego Multi-Trades Sdn Bhd) (“Celcom Trading”) vs Aras Capital Sdn Bhd (“Aras Capital”) & Tan Sri Dato’ Tajudin Ramli (“TSDTR”)

In 2005, Celcom Trading, a wholly-owned subsidiary of Celcom, commenced proceedings against Aras Capital and TSDTR for amounts due to Celcom Trading of RM261.8 million as at 30 November 2004 pursuant to an investment agreement with Aras Capital and an indemnity letter given by TSDTR. TSDTR filed its defence and instituted a counterclaim of RM100.0 million against Celcom Trading, Celcom Resources Berhad (formerly known as Technology Resources Industries Berhad) (“**Celcom Resources**”) and its directors to void and rescind the indemnity letter and claim damages. Celcom Trading, Celcom Resources and the directors filed their respective applications to strike out TSDTR’s counterclaim, which were dismissed by the Court. The directors appealed and the same was dismissed on 16 October 2012. Subsequent to that, the Court allowed the parties’ application to amend the pleadings on 13 May 2013. The matter was partially heard on 3 to 6 November 2014 and was thereafter adjourned for continued trial on 13, 14, 15 and 17 April 2015. The trial proceeded on 13 April 2015 and thereafter adjourned to 26 June 2015 for continued trial. Celcom had closed its case on 28 September 2015 and TSDTR commenced his case on the same date. The hearing continued until 30 September 2015 and thereafter adjourned to 23 October 2015 for further continued hearing.

Celcom & Another vs TSDTR & 6 Others

On 24 October 2008, Celcom and Celcom Resources filed a Writ of Summons and Statement of Claim against the former directors of Celcom and Celcom Resources, namely (i) TSDTR, (ii) Bistaman Ramli (“**BR**”), (iii) Dato’ Lim Kheng Yew (“**DLKY**”), (iv) Axel Hass (“**AH**”), (v) Oliver Tim Axmann (“**OTA**”). In the Writ of Summons, Celcom and Celcom Resources also named DeTeAsia Holding GmbH (“**DeTeAsia**”) and Beringin Murni Sdn Bhd (“**BM**”) as co-defendants (collectively with the former directors referred to as “**Defendants**”). Celcom and Celcom Resources are seeking damages for conspiracy against the Defendants.

Celcom and Celcom Resources claim that the Defendants wrongfully and unlawfully conspired with each other to injure Celcom and Celcom Resources by causing and/or committing them to enter into the Supplemental Agreement to the Subscription Agreement and the Management Agreement dated 7 February 2002 (“**Supplemental Agreement**”) and the Amended and Restated Supplemental Agreement (“**ARSA**”) dated 4 April 2002 with DeTeAsia in consideration for the renunciation by DeTeAsia of certain rights issue shares in Celcom Resources in favour of TSDTR and BR.

TSDTR and BR filed an application to strike out the Writ of Summons. On 17 July 2009, the Court dismissed TSDTR and BR’s striking out application with costs. TSDTR and BR filed an appeal to the Court of Appeal. The appeal was heard on 25 June 2012 and 14 August 2012. The Court of Appeal fixed the appeal for continued hearing on 28 November 2012.

DeTeAsia, AH and OTA have filed their respective Memorandum of Conditional Appearance and application to strike out these proceedings. On 25 October 2010, the Court dismissed the said application respectively and on 28 October 2010 AH, OTA and DeTeAsia filed their respective appeals to Court of Appeal against the High Court decision. The appeals were heard on 25 June 2012 and 14 August 2012 and fixed for continued hearing on 28 November 2012.

Subsequently, the Court of Appeal vacated both appeals and at the hearing fixed on 27 June 2013, the Court of Appeal heard the parties’ submissions and reserved its decision to a date to be fixed. The

Court of Appeal had on 11 March 2014 dismissed with costs appeals filed by TSDTR, BR, AH, OTA and DeTeAsia. The Court of Appeal also ordered that the proceedings in the High Court be stayed pending disposal of the defendants' applications for leave to appeal to the Federal Court. On 8 and 9 April 2014, an application for leave to appeal to the Federal Court was filed by TSDTR, BR, AH, OTA and DeTeAsia respectively. The hearing of their application for leave to appeal to the Federal Court has now been fixed on 31 March 2016. The matter in the High Court has been fixed for case management on 4 April 2016 pending determination of the aforesaid appeals.

Separately, Celcom and Celcom Resources have reached an amicable settlement with DLKY and the said companies have filed their respective notice of discontinuance with no order as to costs and without liberty to file afresh against DLKY on 6 March 2015.

Celcom & Another vs TSDTR & 8 Others

Pursuant to an award granted by the arbitral tribunal to DeTeAsia's on 2 August 2005, Celcom and Celcom Resources instituted proceedings against 9 of its former directors alleging that they had breached their fiduciary duties in entering into a Subscription Agreement on its behalf on 25 June 1996 with Deutsche Telekom AG ("**Subscription Agreement**"), and the ARSA whilst they were directors of Celcom and Celcom Resources. In addition, Celcom and Celcom Resources have also made a claim against TSDTR for alleged unauthorised profits made by him in connection with the execution of the abovementioned agreements. Celcom and Celcom Resources are seeking an indemnity from the directors for the sums paid by Celcom to DeTeAsia in satisfaction of the Award against it, return of the alleged unauthorised profits by TSDTR amounting to RM446.0 million, all monies received by the directors arising out of such breaches, losses and damages in connection with the entry of Celcom and Celcom Resources into the Subscription Agreement and the ARSA. TSDTR and BR filed an application to strike out the proceedings. On 6 February 2009, the Court dismissed TSDTR and BR's striking out application with costs. TSDTR and BR filed an appeal to the Court of Appeal. The appeal was heard on 25 June 2012 and 14 August 2012. The Court of Appeal fixed the appeal for continued hearing on 28 November 2012.

The German directors have respectively applied to set aside these proceedings on the basis that the issues had been litigated and decided on their merits based on the Award. The said applications were respectively dismissed by the Court on 30 June 2010. The German directors filed their respective notices of appeal to the Court of Appeal. The appeals were heard on 25 June 2012 and 14 August 2012. The Court of Appeal then fixed 28 November 2012 for continued hearing.

Subsequently, the Court of Appeal vacated both appeals and at the hearing fixed on 27 June 2013, the Court of Appeal heard the parties' submissions and reserved its decision to a date to be fixed. The Court of Appeal had on 11 March 2014 dismissed with costs the appeals filed by (i) TSDTR and BR against the decision of the High Court dated 6 February 2009; and (ii) the German directors against the decision of the High Court dated 30 June 2010. The Court of Appeal also ordered that the proceedings in the High Court be stayed pending the disposal of the defendants' applications for leave to appeal to the Federal Court. On 8 and 9 April 2014, an application for leave to appeal to the Federal Court was filed by TSDTR, BR and German directors respectively. The hearing of their application for leave to appeal has now been fixed on 31 March 2016. The matter in the High Court has been fixed for case management on 4 April 2016 pending determination of the aforesaid appeals.

Separately, Celcom and Celcom Resources have reached an amicable settlement with DLKY and the said companies have filed their respective notice of discontinuance with no order as to costs and without liberty to file afresh against DLKY on 6 March 2015.

Claim against Robi Axiata Limited ("Robi") by National Board of Revenue ("NBR")

The Large Tax Unit ("LTU") of the NBR of Bangladesh, issued a show cause letter dated 23 February 2012 to Robi. The letter alleged that Robi had evaded payment of supplementary duty and VAT levied

on the issuance of a certain number of SIM cards to new customers of Robi on the pretext that the issuance were for replacement purposes with regards to Robi's existing customers. The amount in question amounts to BDT6,549.9 million. The show cause letter accompanied a demand to pay the amount, if the response to the show cause letter was not satisfactory.

Robi subsequently filed a writ in the High Court of Bangladesh on 26 April 2012 to challenge NBR's claim. The writ was heard by the High Court on 2 May 2012. At the hearing the High Court of Bangladesh granted Robi a stay of NBR's claim for 2 months and ordered Robi to reply to NBR's show cause letter within 10 days.

On 7 May 2012, NBR filed an application for Leave to Appeal to the Appellate Division of the Supreme Court of Bangladesh challenging the stay order of the High Court. Chamber Judge of the High Court heard the appeal on 8 May 2012 and rejected NBR's application for stay. Robi has replied to NBR's show cause letter on 10 May 2012.

The appeal filed by NBR against the order of stay was taken up by the Appellate Division for final hearing on 7 April 2013 and the appeal was disposed of with a direction upon the High Court Division to finally hear the writ petition within one month from the date of receipt of the order. In a brief hearing, High Court division disposed-off the Writ with a direction to the NBR to resolve the dispute by following appropriate procedure, within 120 days of the receipt of the judgment.

In August 2013, a Review Committee was formed consisting of representatives from four mobile operators, BTRC (the telecoms regulator), NBR, LTU and a representative from Association of Mobile Telecom Operators of Bangladesh to produce a report with a view to resolve the matter amicably. The Review Committee is yet to finalise an agreed version of the final report. LTU filed a revised claim on 17 May 2015 claiming for BDT 4165 million. A writ hearing is pending at the High Court of Bangladesh challenging the revised claim. Meanwhile, Robi has filed an appeal with the Customs, Excise and VAT Appellate Tribunal. The appeal is currently pending for hearing.

Claim by Comptroller and Auditor-General ("CAG") Against Robi

CAG claimed BDT4,086.4 million as value-added tax ("VAT") through the Large Taxpayers Unit (VAT) from Robi on the basis of audit report conducted by the Local and Revenue Audit Directorate alleging that Robi did not pay VAT on purported export of roaming services. At the direction of CAG, the Local and Revenue Audit Department, and Government of Bangladesh National Board of Revenue, Large Tax Unit sent a notice of demand dated 17 May 2014 to Robi. Robi's external counsel argued before the High Court of Bangladesh that the audit carried out by CAG was illegal as CAG does not have jurisdiction to carry out such an audit. On 16 June 2014, the said court issued a rule calling upon CAG and others to show cause as to why the claim and its basis should not be declared illegal and the court also stayed the operation of the notice of demand. On 14 May 2015, High Court delivered a judgment in Robi's favour and dispose of the case. CAG or NBR has not filed any appeal against the decision within the statutory timeline; hence, CAG or NBR do not have the right to appeal. However, CAG or NBR may apply to the Court of Appeal for leave to appeal out of time.

Claims Between Dialog Broadband Networks (Private) Limited (Amalgamated with Suntel Limited) ("DBN") vs Electroteks Network Services (Private) Limited ("Electroteks")

DBN is involved in a money recovery case in relation to an unpaid outstanding amount due on providing telecommunication facilities, which was initially filed on 20 November 2001 by Suntel Limited against Electroteks.

Electroteks in their answer dated 30 May 2002 made a cross-claim which amounted to LKR4.2 billion along with legal interest.

On 9 March 2012, the Court delivered judgment in favour of Electroteks and granted them the aforesaid cross-claim along with legal interest, on an alleged overpayment and consequential damages.

DBN has instituted appeal proceedings against the said judgment in the Supreme Court of Sri Lanka. This matter is currently fixed for hearing on 19 February 2016.

Pending such appeal, Electroteks filed a Writ Pending Appeal application in the Commercial High Court of the Western Province seeking to execute the judgment delivered in their favour pending the appeal to the Supreme Court. DBN filed objections to this application on 18 February 2013. On 3 March 2014, proceedings in relation to this application were terminated upon DBN keeping a guarantee to cover the judgment in the appeal made to the Supreme Court of Sri Lanka, through its parent company Dialog Axiata Plc. in the form of a bank guarantee for the value of LKR1.0 billion and a corporate guarantee for the value of LKR3.2 billion.

LICENCES AND REGULATIONS

THE GROUP'S LICENCES

The operation of telecommunications networks and the provision of related services are regulated to varying degrees by national, state, regional or local government and/or regulatory authorities. Operating licences held by the Group specify the services they can offer and the frequency spectrum they can utilise for their operations. These licences are subject to review, interpretation, modification or termination by the relevant authorities. The operating licences are generally renewable upon expiration. However, there is no assurance that they will be renewed or that any renewal on new terms will be commercially acceptable to the Group. See *“Risk Factors — Risk Factors Relating to the Regulatory Environments in which the Group and its Business Operate, The Group is subject to licensing requirements and operates in a regulated industry”*.

The table in Annex A sets forth details of material licences held by the Group as of the date of this Offering Circular.

LEGISLATION AND REGULATIONS

MALAYSIA

The communications and multimedia industry is governed by the Communications and Multimedia Act 1998 (“**CMA**”) and its subsidiary legislation. The CMA applies to networked communications, including electronic media, but does not extend to print media. The MCMC, established pursuant to the Malaysian Communications and Multimedia Commission Act 1998, is responsible for the regulation of the communications and multimedia industry. The Ministry of Communications and Multimedia Malaysia (“**MCMM**”) is responsible for policy making in respect of the communications and multimedia industry, whilst the MCMC is responsible for policy implementation.

The CMA sets out the regulatory framework and amongst other things, provides for licensing, economic and technical regulation, consumer protection and social regulation.

The Minister of MCMM has announced that there will be amendments to the CMA, however substantive details of the amendments are not available to the public as at the date of this Offering Circular.

Licensing regime

The CMA provides that, unless exempted by the Minister of MCMM (the “**Minister**”), no person may:

- own or provide any network facilities;
- provide any network services;
- provide any applications services; or
- provide any content applications services,

except under an individual licence granted or a class licence registered under the CMA.

The CMA provides for four categories of activity which require licences:

- *network facilities provider*: for the ownership and provision of physical infrastructure used to provide communications services (for example, fixed links and radio communication transmitters and links);

- *network services provider*: for the provision of communications services over network facilities (for example, mobile services and broadcasting distribution services);
- *applications service provider*: for the provision of application services by means of network services (for example, PSTN telephony, public mobile services and IP telephony); and
- *content applications service provider*: for the provision of content applications services (for example, satellite broadcasting and terrestrial free to air television).

Within the activity categories, there are two types of licences:

- individual licences which are generally granted to providers of services or owners of facilities that have national or social significance or where there is a need to control market entry, establish conditions of operation or limit the scope of licenced activities which necessitate a higher degree of regulation; and
- class licences which are a “light-handed” form of regulation designed to promote industry growth and development by removing unnecessary regulatory barriers.

The term of an individual licence is generally 10 years unless cancelled by the Minister before its expiry. Applications for renewal must be made at least 60 days prior to the expiry of the licence and shall be granted unless the Minister on the recommendation of the MCMC determines that the licensee has failed to comply with the terms and conditions of the individual licence, the provisions of the CMA or any instrument made or given by the Minister or the MCMC.

A person who intends to operate under a class licence is required to register with the MCMC. The registration is valid for one year and is renewable annually.

Spectrum allocation

Unless exempted by the Minister, the use of frequency spectrum in Malaysia requires a spectrum assignment, an apparatus assignment or a class assignment, all of which are issued by the MCMC. The MCMC issued a revised spectrum plan in December 2014 which sets out, amongst other things, how the spectrum shall be used in Malaysia and the MCMC’s plan to develop it in the near future.

Spectrum assignments for 3G are now held by Celcom, UMTS (Maxis), U Mobile and DiGi.

The 2600 MHz has been allocated to 8 companies including Celcom.

Issues surrounding the allocation of 700 MHz remain uncertain at this point in time.

Access regime

An access regime is established under the CMA to ensure that all network facilities providers, network service providers, applications service providers and content applications service providers can gain access to the necessary facilities on reasonable terms and conditions in order to prevent the inhibition of downstream services.

Although the CMA made provision for a designated industry forum to determine an access code, this did not materialise and the MCMC has determined the access list, and mandatory standards on the terms of access and access pricing. The mobile services market has seen dynamic development. At the retail level, a variety of offerings are made to end users and prices appear to be competitive. U Mobile has emerged as a 3G operator and MVNO arrangements have also arisen.

Access list

The access list is a specific list of facilities and/or services determined by the MCMC to be essential to the provision of network services and application services. An “Access Provider” shall, upon written request by an “Access Seeker,” provide the “Access Seeker” with access to its facilities and/or services included in the access list (i) on at least the same or more favourable technical standard and quality provided on the Access Provider’s facilities or services, and (ii) on an equitable and a non-discriminatory basis. Access agreements are required to be registered with the MCMC, which is empowered to resolve access disputes.

The MCMC had on 25 August 2015 issued a revised access list (the “**Access List**”) which came into force on 1 September 2015.

The facilities and services included in the Access List are:

1. fixed network origination service;
2. fixed network termination service;
3. mobile network origination service;
4. mobile network termination service;
5. interconnect link service;
6. wholesale local leased circuit service;
7. infrastructure sharing;
8. domestic connectivity to international services;
9. network co-location service;
10. full access service;
11. line sharing service;
12. bitstream with network service;
13. bitstream without network service;
14. sub-loop service;
15. digital subscriber line resale service;
16. digital terrestrial broadcasting multiplexing service;
17. wholesale line rental service;
18. Layer 2 High Speed Broadband (“**HSBB**”) network service with QoS;
19. trunk transmission service;
20. duct and manhole access;
21. Layer 3 HSBB network service;

22. end-to-end transmission service; and

23. MVNO access.

However, according to the Ministerial Direction of HSBB and Access List (Ministerial Direction No. 1 of 2008), the implementation of full access, line sharing and sub-loop service which are provided over the HSBB network have been deferred for seven years from 16 September 2008 to 15 September 2015. There has been no new Ministerial Direction issued to replace or revoke the Ministerial Direction of HSBB and Access List (Ministerial Direction No. 1 of 2008) as of the date of the Offering Circular.

Mandatory standard on access and access pricing

The MCMC has also determined a Mandatory Standard on Access (“MSA”) which came into force on 1 July 2005, and was varied in 2009. It sets out principles and model terms and conditions for the provision of access to facilities and/or services in the Access List by an “Access Provider” to an “Access Seeker”.

The Mandatory Standard on Access Pricing (“MSAP”), as amended in December 2012, prescribes maximum prices for some of the facilities and services included in the Access List, namely, fixed network origination and termination services for voice communications only and voice communications over IP network, mobile network origination and termination service, interconnect link service, wholesale local leased circuit service, domestic connectivity to international service, network co-location service and transmission service. Where the MSAP does not prescribe prices for facilities or services included in the Access List, operators are free to set their own prices in accordance with principles in the CMA (see the section below on Rate setting). The prices prescribed in the current MSAP are valid until 31 December 2015. Following the issuance of the Access List in August 2015, the MSAP is expected to undergo a review to revisit the Access Pricing of the existing facilities and services as well as new facilities and services included in the latest Access List.

Compliance with both the MSA and MSAP is mandatory. Failure to comply attracts financial penalties and is a breach of the CMA and licence conditions.

Mobile Number Portability

Mobile Number Portability (“MNP”) was implemented in Malaysia from August 2008, with its nationwide implementation occurring in October 2008. This permits mobile users to retain their numbers when switching service providers. Mobile users currently have the choice and freedom to choose service providers without the inconvenience of having to change their numbers. A porting fee of a maximum of RM25 is permitted to be charged when a user switches service providers.

Inter-operator mobile number portability support services is a service which enables a mobile subscriber of one mobile service provider to switch to another mobile service provider without having to change his mobile phone numbers. The MCMC considers that inter-operator processes required to support MNP have been sufficiently catered for, and this support service has thus been removed from the Access List.

Rate setting

As of 1 August 2000, mobile operators are not subject to any rate settings and are free to set prices for the mobile services they provide.

Generally, a facilities or service provider may set prices in accordance with market rates on the basis of the principles set forth below:

- rates must be fair and, for similarly situated persons, not unreasonably discriminatory;

- rates should be oriented towards costs and, in general, cross-subsidies should be eliminated;
- rates should not contain discounts that unreasonably prejudice the competitive opportunities of other providers;
- rates should be structured and levels set to attract investment into the communications and multimedia industry; and
- rates should take account of the regulations pertaining to rate setting and recommendations of the international organisations of which Malaysia is a member.

However, the Minister may, on the MCMC's recommendation, intervene in determining and setting the rates for any competitive facilities or services for a good cause or as the public interest may require.

Ministerial Direction No. 5 of 2010 was issued to MCMC to reduce the international roaming rates for mobile service between Malaysia and Singapore. A mutual agreement was reached between the Singapore regulator and MCMC to implement a reduction of voice call by 30 per cent. and SMS by 50 per cent. on a gradual basis over two years beginning 1 May 2011.

Competition

General competition practices are also addressed by the CMA. In particular, a licensee may not engage in conduct, which has the purpose of substantially lessening competition in the communications market. Furthermore, if the MCMC determines that a licensee is in a dominant position, it may direct that licensee to cease conduct in that communications market which has or may have the effect of substantially lessening competition in any communications market and to implement appropriate remedies. The MCMC has issued two guidelines on "Substantial Lessening of Competition in a Communications Market" and "Dominant Position in a Communications Market".

The CMA also prohibits a licensee from entering into any understanding, agreement or arrangement which provides for rate fixing, market sharing, boycott of a supplier of apparatus or boycott of a competitor. Furthermore, the CMA prohibits mandatory tying or linking arrangements regarding the provision or supply of products and services in a communications market.

The MCMC had issued a Determination on Dominant Position in a Communications Market (Determination 1 of 2014), which specified, amongst other things, that each network operator is dominant in the termination (fixed and mobile) calls and messages and the origination (fixed and mobile) calls markets. This determination is in respect of a three-year period from 8 October 2014. There has been no subsequent determination since. If a licensee is determined to be dominant, it is likely to be subject to greater scrutiny regarding anti-competitive conduct by the MCMC.

Universal Service Obligation ("USO")

USO is governed by the Communications and Multimedia (Universal Service Provision) Regulations 2002, as amended most recently in 2010, which came into operation on 17 October 2002 (the "**USP Regulations**"). The USP Regulations governs amongst other things, the objectives of universal service provision, the designation of universal service targets, the submission of universal service plan, the designation of universal service provider, implementation of the universal service plan, costing of universal services, universal service funds and contribution to the fund. All licensees (including holders of individual and class licences) must contribute to the USP Fund unless their total net revenue is less than RM2 million, or they only hold a content applications service provider licence. Each licensee is obliged to contribute 6.0 per cent. of its annual weighted net revenue towards the USP Fund, as determined in accordance with the USP Regulations. The USP Fund is expended to fund the implementation of USP roll-out.

INDONESIA

Telecommunications law

The regulatory reforms of the Indonesian telecommunications sector have their foundation in Telecommunications Law No. 36 of 1999, which came into effect on 8 September 2000 (the “**Telecommunications Law**”). The Telecommunications Law provides key guidelines for industry reforms, including industry liberalisation, facilitation of new entrants and enhanced competition. Under the Indonesian regulatory framework, the Telecommunications Law outlines the substantive principles for the liberalisation of the Indonesian telecommunication industry. Detailed provisions implementing the Telecommunications Law will be provided in the implementation regulations consisting of government regulations and ministerial decrees, in particular decrees and regulations issued by the Minister of Communications and Information (the “**MoCI**”).

The Government of Indonesia is also considering the implementation of a convergence law which is intended to promote effective competition through the possible introduction of unified licensing and technology neutrality framework. In the course of its implementation, existing legislations/regulations may be reviewed to accommodate the new convergence law. Preliminary discussions with industry participants in relation to this matter are currently on-going.

Indonesian Telecommunications Regulatory Body (the “ITRB”)

The Telecommunication Law grants the Government, through the MoCI, the power to make policies, and to regulate, supervise and control the telecommunication industry in Indonesia. The MoCI has authority over the telecommunication sector in Indonesia, issues regulations pursuant to decrees, issues policies and licences and formulates tariffs. On 11 July 2003, the MoCI promulgated the Telecommunication Regulatory Body Decree, pursuant to which the Ministry of Communications and Information Technology delegated authority to regulate, supervise and control the Indonesian telecommunication sector to the ITRB, while maintaining the authority to formulate policies for the industry.

The ITRB consists of the Directorate General of Posts and Informatics Implementation (“**DGPI**”), the Directorate General of Resources and Instruments of Posts and Informatics (“**DGRIPI**”) and the Telecommunications Regulatory Committee which are governmental agencies under the Ministry of Communications and Information Technology, and the Telecommunication Regulatory Committee which consists of nine members, six of whom are elected from the public representatives and the remaining three are government representatives. The committee is chaired by the DGPI. Members of the Telecommunication Regulatory Committee are appointed by the MoCI. All members of the Telecommunication Regulatory Committee must fulfil, among others, the following requirements (i) must be Indonesian citizens; (ii) have professional expertise in telecommunication, information technology, economics, law or any social science; (iii) not have any direct ownership and/or direct business relationship in and/or with any of telecommunication operators; and (iv) not be appointed as a director or commissioner of any of the telecommunication operators.

The ITRB exercises regulatory and supervisory control over the industry which was previously exercised by the Ministry of Communications and Information or through the DGRIPI and DGPI.

Service classifications

The Telecommunications Law classifies telecommunications providers into three categories: (A) telecommunications network providers; (B) telecommunications services providers; and (C) special telecommunications providers. Telecommunications network providers are further divided into (a) fixed telecommunications network providers and (b) mobile telecommunications network providers. Fixed telecommunications network providers consist of (i) local fixed network providers, (ii) domestic long distance fixed network providers; (iii) international fixed network providers; and (iv) closed fixed network providers. Mobile telecommunications network providers comprises (i) terrestrial-based

mobile telecommunications network providers; (ii) mobile telecommunications network providers; and (iii) satellite-based mobile telecommunications network providers. Telecommunications service providers are divided into (a) basic telephony service providers; (b) value-added telephony service providers; and (c) multimedia service providers.

Under the Telecommunications Law, licences are required for each category of telecommunications businesses. A telecommunications network provider is licenced to own and/or operate a telecommunications network. However, if such telecommunications network provider is to provide telecommunications services, it needs to obtain a separate licence to provide such services. A telecommunications service provider is licenced to provide telecommunications services to subscribers either through its network or by leasing network capacity from telecommunications network providers. Special telecommunications licences are required for providers of private telecommunications services for purposes relating to broadcasting and national security interests.

Modern licence

Under the Telecommunications Law, licences contain the rights and obligations of the licence holder and are commonly referred to as the “**Modern Licence**”. The Modern Licence will specify in details the recipient’s rights and obligations, including the areas of telecommunications business it is allowed to operate in. Under the Modern Licence, the recipient’s obligations include, among others, construction obligations, service obligations, network performance obligations and contributing 1.25 per cent. of its gross revenues towards USO. The recipient of a Modern Licence is required to fulfil the mandatory obligations set forth in its Modern Licence and the failure to comply with such obligations may result in the revocation of its Modern Licence.

Competition

The Telecommunications Law does not prohibit or discourage operators from attaining a dominant position with regard to telecommunications services. However, it specifically prohibits monopolistic practices and unfair competition among telecommunications operators. On 11 March 2004, the MoC issued Decree No. 33/2004, which sets forth measures to prohibit the abuse by network and service providers of their dominant position. Dominant providers are determined based on factors such as their scope of business, coverage area of services and whether they control a particular market. Specifically, the Decree prohibits a dominant provider from engaging in practices such as dumping, predatory pricing, cross-subsidies, compelling consumers to use such provider’s services (to the exclusion of competitors) and hampering mandatory interconnection (including discriminating against specific providers).

Pursuant to the express prohibitions on activities that may create monopolistic practices and unfair business competition, the Telecommunications Law provides for fair interconnection of networks to allow “any connectivity”.

Government fees

All telecommunications operators in Indonesia are required to pay the Telecommunications Operating Fee (Biaya Hak Penyelenggaraan Telekomunikasi or “**Operation Fee**”) to the Indonesian government. In addition, if their operation involves the use of certain radio frequency, the telecommunications operators are also required to pay a Radio Frequency Usage Fee (Biaya Hak Penyelenggaraan Spektrum Frekuensi Radio or “**Frequency Fee**”). The Operation Fee payable by the telecommunications operators is set forth in Government Regulation No. 7 Year 2009 regarding Types and Tariffs of Non Tax State Revenue For Department of Communication and Information Technology (“**Government Regulation No. 7 Year 2009**”). In accordance with this government regulation, telecommunications operators are required to pay the Operation Fee annually in the amount of 0.5 per cent. of their respective gross revenues, adjusted for items such as revenue from leasing of networks, interconnection charges, activation of new subscribers, air time charges, roaming charges and SIM cards.

The Frequency Fee payable by the telecommunications operators depends on the frequency spectrum used by such operators. The Frequency Fee payable for frequency spectrum used in the 800 MHz, 900 MHz and 1800 MHz is set forth in Government Regulation No. 76 Year 2010. For 800 MHz, 900 MHz and 1800 MHz, telecommunications operators are required to pay the Frequency Fee which is calculated using a frequency fee formula based on bandwidth utilised.

With respect to the 2100 MHz's frequency spectrum, the amount of the Frequency Fee payable would depend on the proposal submitted by the relevant operators when they bid for the relevant 3G licence.

USO

Under the Telecommunications Law, all telecommunications network operators and service providers are bound by a USO, which requires such network operators and telecommunications service providers to make contribution towards providing universal telecommunications facilities and infrastructure or other forms of compensation. Government Regulation No. 7 Year 2009 stipulates that telecommunications operators in Indonesia are required to contribute 1.25 per cent. of their respective gross revenues for USO development.

Tariffs for mobile telecommunications services

The prices that mobile telecommunications operators can charge for basic telephony services (i.e. activation fee, monthly subscription fee, usage charges and charges for additional features) are determined on the basis of a tariff formula prescribed in Ministry Regulation No. 09/Per/M.KOMINFO/04/2008 regarding Procedure in Implementing Tariff for Mobile Telecommunication Services. The regulation gives the operators the flexibility to determine the tariffs based on the prevailing market conditions, subject to certain monitoring by the ITRB.

Tariffs for interconnection and access

On 8 February 2006, the MoCI issued Decree No. 8/Per/M.KOMINFO/02/2006, which mandates the new cost-based interconnection tariff scheme for all telecommunications network and services operators. This scheme became effective on 1 January 2007.

Under the new scheme, the operator of the network on which calls terminate will determine the interconnection charge to be received by it based on a cost-based formula. Pursuant to Decree No. 8/Per/M.KOMINFO/02/2006, each telecommunications network operator is required to prepare and submit to the ITRB a Reference Interconnection Offer (“**RIO**”), which must prescribe the type of interconnection services offered by the network operators and the tariffs charged for each of the offered services. Such calculated interconnection charges must be presented in a RIO and reported to the ITRB. Existing interconnection agreements remain valid as long as the parties to the agreements mutually agree and to the extent that the existing agreements do not conflict with Decree No. 8/Per/M.KOMINFO/02/2006.

The Government has determined interconnection cost reference as of 31 December 2010 through Letter from ITRB No. 227/BRTI/XII/2010 concerning Interconnection Implementation for 2011. For cellular mobile telecommunication services, this reference was effective starting 1 January 2011, while for fixed wireless access service, this reference was effective starting 1 July 2011.

Effective on 1 June 2012, the telecommunication operators implemented the SMS interconnection cost with reference to Letter from ITRB No. 262/BRTI/XII/2011.

On 30 January 2014, the MoCI has determined interconnection cost reference through Letter from Ministry of Communication and Information and DGPI No. 118/KOMINFO/DJPPI/PI.02.04/01/2014 concerning Interconnection Implementation for 2014. This reference was effective starting 1 February 2014 up to December 2016 and can be evaluated by ITRB annually.

The Government is currently reviewing the interconnection cost through a cost modelling exercise and is consulting the industry on the matter. A decision is expected to be made by the Government by end-2015.

Consumer protection

Under the Telecommunications Law, each operator must provide guarantees for consumer protection in relation to quality of services, usage or service fees, compensation and other matters. The law also allows subscribers injured or damaged by negligent operations to file claims against negligent providers.

In a key decision regarding consumer protection, ITRB issued a circular on 14 October 2011 to all telecommunications operators, including XL, instructing operators to suspend Premium SMS following consumer complaints on irregular fees and charges, effective October 2011.

e-Money and Money Remittance Regulations

As a consequence of being an e-Money Issuer, XL is subject to e-Money regulations as follows:

- Central Bank's Regulation No.11/12/PBI/2009 dated 13 April 2009, regarding e-Money, last amended under Central Bank's Regulation No.16/8/PBI/2014 dated 8 April 2014;
- Central Bank's Circular Letter No.16/11/DKSP dated 22 July 2014, regarding e-Money;
- Central Bank's Regulation No.5/8/PBI/2003, regarding Risk Management Implementation;
- Central Bank's Regulation No.9/15/PBI/2007 and Central Bank's Circular Letter No.9/30/DPNP dated 12 December 2007, regarding Risk Management Implementation relating to the usage of information system technology by Commercial Bank;
- Central Bank's Regulation No.10/3/PBI/2008 and Central Bank's Circular Letter No.10/3/UKMI dated 8 February 2008, regarding the applicable Online Report Mechanism; and
- Central Bank's Regulation No.14/3/PBI/2012 dated 29 March 2012, regarding Anti-Money Laundering and Anti-Terrorism Program for Non-Bank Payment System Service Operators.

The same conditions also apply to XL as a Money Remittance Operator and XL is subject to Money Remittance regulations as follows:

- Law No.3/2011, regarding Money Transfer;
- Central Bank's Regulation No.14/23/PBI/2012 dated 26 December 2012, regarding Money Remittance;
- Central Bank's Circular Letter No.15/23/DASP dated 27 June 2013, regarding Money Remittance for Non-Bank;
- Central Bank's Regulation No.14/3/PBI/2012 dated 29 March 2012, regarding Anti-Money Laundering and Anti-Terrorism Program For Non-Bank Payment System Service Operators; and
- Central Bank's Circular Letter No.16/1/DKSP dated 10 January 2014, regarding Money Remittance Online Report for Non-Bank.

SRI LANKA

The regulatory framework in the telecommunications sector

The telecommunications industry is governed by the Sri Lanka Telecommunications Act No. 25 of 1991 as amended by the Sri Lanka Telecommunications (Amendment) Act No. 27 of 1996 (the “**SLTA**”). Prior to the enactment of the SLTA, the Department of Telecommunications was the sole operator providing both local and international voice services and there was no independent regulator for the local telecommunications sector. Pursuant to the SLTA, all the property, rights and liabilities to which the Department of Telecommunications was entitled, was vested in a corporation established under the name of Sri Lanka Telecom, which was subsequently converted to a public limited liability company, Sri Lanka Telecom.

The SLTA also provided for the creation of a telecommunications authority entrusted with the duty of regulating the industry. The SLTA made provision for the conversion of this authority into the Telecommunications Regulatory Commission of Sri Lanka (the “**TRC**”).

Current telecommunications legislation

The principal legislation governing the telecommunications sector in Sri Lanka is the SLTA and the rules made pursuant to the SLTA. The SLTA provides for the establishment of the TRC, sets out its composition and demarcates its duties and powers. The TRC was also constituted as the sole entity in Sri Lanka to manage and control the radio frequency spectrum.

The SLTA enables the licensing of operators of telecommunications systems in Sri Lanka. It also contains the procedures for licensing of telecommunications services and operation of networks and delineates the eminent domain for operators. The SLTA also sets down offences related to telecommunications services and operation and provides corrective measures to be imposed when such an offence or breach is committed. The SLTA gives the TRC authority to make rules that govern areas including interconnection and quality of service.

The institutional framework

The TRC consists of the following parties:

- the secretary to the Ministry of the Minister of Posts and Telecommunication (the “**Minister**”) who shall be the chairman of the TRC;
- the Director General of the TRC; and
- three members appointed by the Minister, having recognised qualifications and having distinguished themselves in the respective fields of law, finance and management.

The Director General of the TRC is appointed by the Minister as its chief executive officer. The objective of the TRC is to facilitate sustained development in the telecommunications industry by shaping the regulatory process, protecting public interests and being responsive to imperfections in a competitive market. Within this broader objective, the following considerations are the focal points of any policy-making decisions made by the TRC:

- the availability of affordable and effective communication options for the citizens of Sri Lanka;
- the establishment and promotion of a modern and efficient information infrastructure for Sri Lanka, with a focus on the convergence of information technology, media and communications;

- the enhancement of the independence and enforcement authority of the TRC in its capacity as a regulator, as well as improving the transparency and public participation in its procedures;
- transforming the telecommunications market structure and regulation towards a more liberalised, technology neutral model;
- the establishment of provisions for promoting and enforcing fair competition;
- the establishment of an explicit universal access policy;
- regulating tariffs, quality of service and consumer protection and the progressive deregulation of tariffs for competitive services;
- enabling Sri Lankan communications service providers to become global players; and
- the establishment of an efficient and transparent spectrum management.

Liberalisation and developments in the telecommunications sector

In keeping with the Government of Sri Lanka’s intention to progressively liberalise and develop the telecommunications sector through a phased transition from a monopolistic market to an open and competitive telecommunications infrastructure, several reforms have been undertaken by the TRC including the external gateway liberalisation in March 2003, the introduction of a 10 digit numbering system in June 2003 and the completion of the tariff re-balancing of SLT in August 2003.

Domestic interconnection regime

Further to the liberalisation of the telecommunications sector, the TRC has also proposed the formulation of a policy on the domestic interconnection regime (the “**Domestic Interconnection Regime**”) — premised on a calling party pays arrangement.

A new interconnection policy based on the application of cost-based interconnection rates was contemplated by way of a move towards a Domestic Interconnection Regime. This move was expected to act as a catalyst for the expansion of mobile telecommunications to rural markets.

The improved completion rates for mobile terminated calls as well as compensation for fixed termination interconnection in the proposed regime was expected to provide significant value to both fixed line and mobile operators.

The TRC renewed its commitment to introduce “**Calling Party Pays**” and a cost-based interconnection regime and towards that end, the TRC completed an interconnection costing exercise in the third quarter of 2009. The new Determination on Interconnection issued in May 2010 took effect on 1 June 2010 based on *inter alia*, (i) for domestic calls, termination charge at SLR0.50 per min (ii) for international calls, termination charge at SLR0.50 per min and (iii) for domestic SMS/MMS, termination charge at SLR0.15 per message. A review of the interconnection arrangements will be conducted every three years. With the revision in domestic interconnection, the TRC also introduced a CPP regime and signals the end of the “**Sender Keeps All**” arrangement.

Principal governance aspects

The key aspects of Sri Lanka’s regulatory framework for the telecommunications sector are:

Licensing

In order to operate a telecommunications system, a licence must be obtained from the Minister. The licence is granted under the recommendation of the TRC. However, the Minister is empowered to

reject any such recommendations and to use its discretion in granting operating licences. Every application made in respect of licences must be in writing. The TRC will provide public notice of its intention to grant a recommendation for a licence if it is deemed necessary or if considered to be in the public interest.

A licenced operator is not permitted to share the telecommunications system for which a licence has been granted with any person for business purposes without prior approval from the TRC. All activities including the trade, manufacture, importation, sale, offer for sale, dealings, transfer, hire, lease, maintenance and repair of telecommunications apparatus may only be carried out under the authority of the TRC. The TRC may recommend modifications of the licence granted by the Minister, who also has the power to revoke a licence for breach of conditions and restrictions, non-payment of fees and failure to comply with regulations set out under the SLTA. Such decisions are subject to judicial review.

Interconnection

Companies licenced to operate and provide a public telecommunications network are obliged to provide interconnection for the purposes of transmitting traffic between different operators. The TRC aims to provide a non-discriminatory and transparent interconnection regime which will provide fair competition for all operators, in accordance with WTO principles. Interconnection is governed by the Interconnection Rules of 2003 and the Determination on Interconnection in 2010.

During the prevailing transitional period leading up to the implementation of the Interconnection Rules, PSTN service providers operated within an environment where no net-interconnection/traffic settlement payments were levied between operators, on an SKA regime. Changes to the Domestic Interconnection Regime to reflect a CPP arrangement and the establishment of the interconnection settlement arrangement between operators in 2010 had led to a more favourable outcome for the telecommunications industry in Sri Lanka.

Retail tariff regulation

Following changes in the domestic interconnection regime in July 2010, the TRC has also fixed a floor price for new mobile packages, effective from 15 July 2010, for on-net and off-net voice calls and SMS as follows: (a) off net — SLR2.00 per min (SLR2.50 per min if on per second billing) for voice calls and SMS at SLR0.25 per SMS; (b) on net — SLR1.00 per min (SLR1.25 per min if on per second billing) and SMS SLR0.10 per SMS. These floor rates have been reduced further for off net voice calls to SLR1.50 per min (SLR2.00 per min if on per second billing) effective 15 July 2011.

This new floor price is applicable to new plans and packages and operators have to seek TRC approval to proceed with the introduction of any of these plans. For existing plans, operators are allowed to continue to use them although they are below the floor price. These measures effectively stabilises the market and concludes the price war ongoing at the time.

As of 2015, there is a consultation on revisions to the retail price floors ongoing. TRC is considering removing the floor prices and has yet to set out its recommendations at this time.

USO

A universal access policy delineates the right of all citizens of Sri Lanka to have access to all sources of information and means of communication which should be reasonably affordable to all classes. While the SLTA does not impose a USO on service providers, the TRC is focused on establishing an explicit USO policy. In the interim, the fiscal framework is meant to further the rural network roll-out and facilitate ITC led socio-economic development in under-served areas.

In this regard, an ICT development fund, “Telecommunications Development Charges Fund” was set up in April 2005 for the furtherance of rural network rollout and facilitation of ICT-led socio-economic development in under-served areas. The fund is designed to benefit from mandatory contributions from external gateway operators and from donor sources.

The regulatory framework in the broadcast sector

Whilst the Sri Lankan constitution generally protects the right to freedom of speech and expression subject to specified limitations, specific provisions relating to the licensing of radio and television broadcasting in Sri Lanka is found in the Sri Lanka Broadcasting Corporation Act No. 37 of 1966 (the “**SLBC Act**”), Sri Lanka Rupavahini Corporation Act No. 6 of 1982 (the “**SLRC Act**”) in addition to those provisions discussed above under the Sri Lanka Telecommunications Act No. 25 of 1991 (as amended).

The SLBC Act predominantly stipulates the rules and regulations by which the Sri Lanka Broadcasting Corporation must comply. The provisions pertaining to the licensing of a private radio broadcasting station are set out in the Section 44 of the SLBC Act. The Minister is empowered, if he considers it necessary to do so and after consultation with the SLBC, to issue a licence to any person for the establishment and maintenance of any private broadcasting station in any area in Sri Lanka. The SLBC Act further provides that no licence shall be issued to any person except after inquiry has been made into his application.

The SLBC Act further empowers the Minister to make regulations as to the procedure in respect of an application for a broadcasting licence, the control and supervision of programmes broadcast from private broadcasting stations, the furnishing and disclosure of information by a person applying for such a licence, prohibition, regulation or control of the ownership of private broadcasting stations by prescribed classes of persons, the regulation or control of the transfer of shares in companies which hold licences for private broadcasting stations and the transfer of interests in such stations.

The SLRC Act while predominantly stipulating the rules and regulations, by which the Sri Lanka Rupavahini Corporation (the “**SLRC**”) must comply, provides in Section 28 for the licensing of the establishment and maintenance of private television broadcasting stations.

Section 28 of the SLRC Act provides that no person other than the SLRC shall maintain a television broadcasting station unless such person has obtained a licence from the Minister. The Minister is empowered to issue a licence for the establishment and maintenance of a private television broadcasting station, in consultation with the SLRC. Section 28 also provides that the Minister shall only issue a licence if the person applying for a licence has such technical, financial and professional qualifications as may reasonably be required for the purpose of establishing and maintaining a private broadcasting station. The SLRC Act also empowers the Minister to make regulations in respect of matters for which such regulations are required.

The allocation and licensing of frequencies for the use of such private broadcasting stations (both radio and television) is carried out by the TRC under Section 22 of the Sri Lanka Telecommunications Act No. 25 of 1991 (as amended).

BANGLADESH

The telecommunications regulatory framework

Legislation And Institutional Framework

The telecommunications sector of Bangladesh is governed by the Bangladesh Telecommunications Act 2001 (the “**BTA**”). While previous legislations on the sector, namely the Telegraph Act 1885 and the Wireless Telegraphy Act 1933, are still applicable, they are subject to the provisions of the BTA.

After the BTA came into force, an independent regulatory commission, the Bangladesh Telecommunications Regulatory Commission, was established on 31 January 2002. Prior to amendment in 2010, the BTRC had vast powers and was responsible for, amongst others, the issuance of licences, allocation of radio frequency, renewal, suspension and cancellation of licences, and the settlement of disputes.

Pursuant to the power conferred under the BTA, the BTRC issued various regulations and statutory instruments from time to time, including:

- BTRC Licensing Procedure Regulations 2004, Regulation No. 1 of 2004;
- BTRC (Interconnection) Regulations 2004, Regulations No. 2 of 2004;
- BTRC Licensing Procedure Regulations 2004, Amendment No. 1 of 2005;
- BTRC Licensing Procedure Regulations 2004, Amendment No. 1 of 2007;
- International Long Distance Telecommunications Service Policy 2007, as amended in May 2010;
- Interim Directives on Tariff and Marketing Promotion issued on 26 July 2007, and subsequent amendments dated 7 February 2008, 24 March 2009 and 29 April 2009 respectively;
- Infra-sharing Guidelines 2008, amended in July 2011;
- Interim Directive on Leased Internet Access Tariff, 30 July 2009;
- Interim Directive on Internet Protocol Telephony Service Provider Tariff and Marketing Promotion issued on 9 February 2010 and amended on 5 May 2011;
- Interim Directive on International Outgoing Call Service, 4 July 2010;
- Interim Directive on SMS-based Premium Rate Services issued on 29 July 2010 and amended on 5 August 2010;
- Interim Directive on Internet Tariff on Volume-Based Internet Packages, 17 April 2011;
- Regulatory and Licensing Guidelines for Invitation of Offers/Proposals for Issuing Licensing for Establishing, Operating and Maintaining International Gateway (“IGW”), International Internet Gateway (“IIG”) and Interconnection Exchange (“ICX”) Services in Bangladesh, 20 October 2011, amended in March 2012;
- Interim Directives on Call Tariffs, effective 1 May 2012;
- Interim Directives on Operational Activities of International Gateways, 27 November 2012;
- Directive Regarding Establishment of International Clearing House (ICH) for IGW, 6 February 2013;
- Directive on differential baseline tariff to ensure commercial safeguard for PSTN operators, 25th April, 2013
- Directives for implementing Mobile Number Portability Systems, 13 June 2013;
- Interim Directives on Commercial Toll Free Services, 4 December 2013, amended on 23 December 2013;

- Interim Directives on Quality of Services for Mobile Operators, 21 January 2014;
- Directive on differential baseline tariff to ensure commercial safeguard for PSTN operators, 13th March, 2014 (correction) Directives on Service and Tariff, 12 March 2015; and
- Directive for IOF, IGW and VSP regarding revenue sharing issues, 30 July 2015.

Pursuant to the amendment in 2010 to the BTA, the MoPT became the final decision making body with respect to licensing, tariff and policy related issues.

Licensing regime

As mandated under the telecommunications law of Bangladesh, no person shall without a licence:

- establish or operate a telecommunications system in Bangladesh or undertake any construction work of such system;
- provide in Bangladesh or to any place outside Bangladesh any telecommunication service; and
- undertake any construction work for providing internet service or install or operate any apparatus for such service.

The BTRC Licensing Procedure Regulations 2004, Amendment No. 1 of 2007, which was issued following the introduction of the international long distance telecommunications services (the “**ILDTS**”) Policy 2007, includes a set of procedures relating to the issuance of licences to potential operators possessing the requisite competency and also the issuance of licences on a non-exclusive basis in order to rationalise private participation and encourage the creation of a competitive environment. It specifically provides for new procedures in applying for new licences through a competitive bidding procedure and an open licensing procedure.

Services for which competitive bidding licence procedure is applicable include:

- Cellular mobile phone
- Satellite mobile phone
- Overseas telecom
- Paging (for commercial purpose)
- Radio trunking (for commercial purpose)
- National long distance
- International gateway
- Interconnection exchange
- International Internet Gateway
- 3G
- WiMax

Services for which an open licensing procedure is applicable include:

- PSTN
- ISP
- VSAT
- Data communication
- IP telephony
- Call centre
- Telecommunications value-added services
- Any other services authorised by the BTRC

In terms of fee structure, the current fees payable by mobile operators in Bangladesh are:

- an entry fee and/or annual fee as provided in the operators' licences;
- payment of revenue sharing of 5.5 per cent. of annual audited gross revenue. This payment is to be made on a quarterly basis by the 10th day of the month following the completion of every quarter;
- contribution to Social obligation fund at 1% of annual audited gross revenue; and
- spectrum charge is to be paid quarterly as fixed by BTRC from time to time.

The introduction of the ILDTS Policy 2010 saw the extension of the competitive bidding licence procedure to include international terrestrial cable and VoIP service providers, and also the imposition of significant fines for operators involved in illegal activities.

Following the issuance of Nationwide Telecommunication Transmission Network (“NTTN”) licences in Bangladesh in January 2009 and the issuance of Draft Amended Regulatory And Licensing Guidelines for NTTN dated June 2011, only licenced NTTN operators are permitted to provide transmission/backhaul services to other operators. Mobile operators are only permitted to carry out transmission/backhaul services for its own internal use and must seek BTRC’s approval to provide them to third party operators in the event NTTN operators are not able to provide the required services to them. BTRC has conducted a consultation process in November 2011 with a view to revisit this issue but to date, has not reached conclusion on the matter.

The BTRC also conducted a public consultation process in September 2009 with a view to introducing a Unified Licensing Regime (“ULR”) in Bangladesh with the objective of promoting the efficient allocation of resources and an effective regulatory structure, and improving regulatory certainty by consolidating the licensing categories and simplifying the licensing framework. The BTRC however has not yet decided whether to proceed with the implementation of ULR. In 2009, consultations were also held on a proposed New Telecommunications Policy (“NTP”) and recommendations made by the International Telecommunications Union. However, after several rounds of discussion the NTP was not adopted. Subsequently, in August 2015, a fresh consultation was conducted on another draft NTP.

The Guidelines for 2G Licensing Renewal issued in January 2011 also altered the licensing and regulatory regime for mobile operators. High 2G spectrum renewal prices (BDT 150 crore (U.S.\$18.75 million) per MHz) were set, despite it being a technology-specific licence. The Market Competition Factor was introduced into the fee calculation, pursuant to which the market position of the relevant renewing operator is factored into the pricing. There was also an increase in revenue share

contribution payable by operators to 6.5 per cent. of gross annual revenue (including 1 per cent. of Social Obligation Fund (“SOF”)) as opposed to 5.5 per cent. previously. The Government of Bangladesh has also imposed a 15 per cent. VAT on the 2G licence/spectrum renewal fees and other regulatory fees, which saw operators, including Robi, seeking separate legal recourse which is still on-going.

Robi’s licence was however successfully renewed on 7 August 2012, for 15 years, with effect from 11 November 2011.

Spectrum allocation

The authority for the allocation of spectrum is vested with the BTRC and charges are fixed by the BTRC to be paid on a quarterly basis. An updated NFAP was published in September 2011.

Pursuant to BTRC’s requests for operators to submit their proposals on 1800 MHz band re-arrangement in 2011, Robi has been assigned a contiguous band of 7.4 MHz from 1730.0 MHz — 1737.4 MHz and 1825.0 MHz — 1832.4 MHz.

On 3G, the BTRC published 3G licensing guidelines on 14 February 2013. Following discussions between operators and regulators, regarding outstanding issues such as uncertainty regarding the VAT treatment of 2G licence fees and reduced SIM taxes, the BTRC proceeded with the 3G auction of spectrum in the 2100 MHz band and Robi successfully obtained a 3G Cellular Mobile Phone Services Operator Licence as well as 5 MHz of spectrum in the 2100 MHz band, valid for 15 years from 12 September 2013. BTRC had also issued auction guidelines for a further auction of 1800 MHz and 2100 MHz spectrum in February 2015 but after repeated delays due to the high base price of the spectrum and inability to resolve outstanding disagreements between operators and the regulators/ tax authorities, final auction guidelines have yet to be issued.

Access regime

The access regime is currently regulated by the Interconnection Regulations 2004, the ILDTS Policy 2007 and the ILDTS Policy 2010 as well as the Interim Directive on Tariff and Marketing Promotion (“**Interim Directive**”) and in particular the Interim Directive issued on 24 March 2009.

The Interconnection Regulations 2004 ensure uniform and neutral interconnection arrangements between telecommunications networks and operators. Under the Interconnection Regulations 2004, it is mandatory for all operators to ensure any-to-any connectivity for the subscribers of one operator to communicate with the subscribers of other operators as and when required.

The previous arrangement on interconnection, which was based on mutual agreements between the operators, was significantly altered following the introduction of the ILDTS Policy 2007 in October 2007 and the subsequent ILDTS Policy 2010 in May 2010. The ILDTS Policy 2007 and 2010 introduced new licence categories for IGW, ICX and IIG operators, and excluded existing operators from applying. The BTRC issued new licences for IGW, ICX and IIG operators in February 2008 and the new licensees have commenced operations since.

As a result, a new interconnection arrangement has been put in place where domestic and international calls will be interconnected through ICXs, which has created a complex and multi-layered interconnection regime, increased the cost of providing interconnection and made any prior investment in interconnection arrangements redundant.

In June 2015, a new IGW Operators Switch (IOS) was implemented, which introduces a new integration hub added in between IGW and ICX to carry and terminate international traffic. Following

this, international call rates have been allowed to be raised from 1.5 cents to 2 cents, and revenue sharing arrangements have been revised to lower BTRC's share from 51.75% to 40%, raise IGWs' share from 13.25% to 20%, raise ICXs' share from 15% to 17.5% and raise ANS operators' share from 20% to 22.5%.

The termination rate for mobile, PSTN and Internet Protocol Telephony Service Provider (“IPTSP”) respectively has been set by BTRC at BDT0.18 per minute with the ICX operator receiving BDT0.04 per minute as per the Directive on Call Tariffs, issued in May 2012. The SMS termination rate for mobile, PSTN and IPTSP respectively has been set by BTRC at BDT 0.045 per minute with the ICX operator receiving BDT 0.01 per minute. BTRC issued a directive on differential baseline tariff with an objective to ensure commercial safeguard for PSTN by introducing asymmetric termination rate. This directive is time based starting from April, 2014 and remain effective till December, 2016 and by the virtue of this directive PSTN and IPTSP operators enjoy asymmetric termination rate ranging from BDT 0.06 to BDT 0.18 if certain criteria are met.

Rate setting/Tariff fixing

Under the amended BTA 2010, there is an express provision that before an operator can commence the provision of its service, it shall submit to the Government a tariff containing the maximum and minimum charges that may be realised for such service, and until the tariff is approved by the Government, the operator shall not start providing the service or realising charges for the service.

Notwithstanding the provision above, BTRC has also issued numerous directives relating to the regulation of retail tariffs for various services such as mobile calls, SMS, internet, international calls and internet calls, the latest being issued in May 2012, revoking various previous Interim Directives issued between July 2007 and May 2011.

Early 2015 on 12th March, 2015, BTRC has issued a consolidated tariff directive namely “Directives on Service and Tariff (2015)”, which replaces all other directives issued earlier.

The prevailing price regulations stipulate the following rates for different telecommunication services:

Mobile tariff

- for off-net charges per minute — minimum BDT0.60, maximum BDT2.0
- for on-net charges per minute — minimum BDT0.25, maximum BDT2.0

PSTN tariff

- for off-net charges per minute — minimum BDT0.40, maximum BDT2.0
- for on-net charges per minute — minimum BDT0.10, maximum BDT2.0

IPTSP tariff

- for off-net charges per minute — minimum BDT0.30, maximum BDT2.0
- for on-net charges per minute — minimum BDT0.10, maximum BDT2.0

All international outgoing call rates on mobile, PSTN and IPTSP will have to be approved by BTRC.

SMS tariff

- for on-net and bilateral off-net, maximum BDT0.50 per SMS for international SMS, maximum BDT 2.50 per SMS. For VAS SMS, rate to be approved by BTRC.

Separately, BTRC in April 2011 also requested operators to fix their internet data use charges at BDT 0.01 for 10 KB instead of the original BDT 0.02 in the case of extra use of volume-based internet packages.

Competition

Competition law has been enacted with effect from 7 March, 2012 but competition commission is yet to be formed. Currently, the Bangladesh telecommunications law does not specifically prohibit monopolistic practices among telecommunications operators.

The BTRC conducted a public consultation in August 2009, proposing the introduction of the Telecommunications Competition Regulations 2009 under the BTA 2001 which will, inter alia, prohibit certain anti-competitive behaviour and govern the conduct of operators that have been declared as having significant market power. The BTRC did not however proceed with the proposal but has instead recently conducted a further consultation on Draft Bangladesh Telecommunication Regulatory Commission (Telecommunication Competition) Regulations — 2011 in July 2015, to address competition concerns.

Notwithstanding this, this is in line with the telecommunications law which defines the objectives for the BTRC, which include the prevention of discrimination in providing telecommunications services, and to protect telecommunications operators from activities that are damaging to competition. There are provisions in other legislation such as the Penal Code, copyright law, information and communication technology law, on the restriction of monopolistic business.

USO

There is no USO fund in Bangladesh. The BTA states that for the purpose of ensuring access to the service specified in the licence to rural and sparsely populated areas, the licensee is obliged to provide such service but not exceeding 10.0 per cent of its capacity. Notwithstanding, the Social Obligation Fund (“SOF”) obligation was introduced in the amended BTA 2010. As per the 2G licence renewal guidelines, mobile operators will have to contribute 1 per cent of their annual audited gross revenue towards this fund. Rules for the SOF were finalised in December 2014, with an 11-member committee formed to manage and utilise the money. However, the policy and implementation of this fund is still unclear regarding how it will be disbursed.

PRINCIPAL SHAREHOLDERS OF AXIATA

The following table shows the shareholders of Axiata holding more than 5.0 per cent. of the ordinary shares of Axiata, as shown on its register of substantial shareholders as of 30 June 2015.

<u>Name of Shareholder</u>	<u>Direct Interest</u>		<u>Indirect/Deemed Interest</u>		<u>Total Interests</u>	
	<u>Number of Shares Held</u>	<u>Percentage of Issued Shares</u>	<u>Number of Shares Held</u>	<u>Percentage of Total Shares</u>	<u>Number of Shares Held</u>	<u>Percentage of Total Shares</u>
Khazanah Nasional Berhad	3,238,919,155	37.629	84,415,540*	0.981	3,323,334,695	38.61
Citigroup Nominees (Tempatan) Sdn Bhd — Employees Provident Fund Board	1,171,585,531	13.611	—	—	1,171,585,531	13.611
Amanah Raya Nominees (Tempatan) Sdn Bhd — Skim Amanah Saham Bumiputera	880,000,000	10.224	—	—	880,000,000	10.224

Note:

- * Includes 165,400 Axiata Shares being the outstanding number of Axiata Shares to be returned to Khazanah under the Selling Flexibility Arrangement to facilitate the sale of Axiata Shares by Axiata's employees who have exercised their Axiata ESOS options. Khazanah is deemed to have an interest in these Axiata Shares pursuant to Section 6A of the Companies Act, 1965.

MANAGEMENT OF THE GROUP

BOARD OF DIRECTORS

Within the limits set by Axiata's Articles of Association ("**Articles**"), the Board of Axiata is responsible for the review and approval of corporate plans, annual budgets, acquisitions and disposals of undertakings and properties of substantial value, major investments and financial decisions and changes to the management and control structure within Axiata and the Group's subsidiaries, including key policies and delegated authority limits. Under Axiata's Articles, Axiata must have at least two and not more than 12 Directors.

As at the date of this Offering Circular, the Board of Axiata consists of ten Directors. Under Axiata's Articles, at the first annual general meeting of Axiata all the Directors are required to retire from office, and at each subsequent annual general meeting, one-third of the Directors of Axiata (or if the number of directors are less than three or not a multiple of three, then the number nearest to one-third shall retire from office). All the Directors are required to retire at least once every three years from office but are eligible for re-appointment. A retiring director retains his office until the close of the meeting at which he retires. The members of the Board as at the date of this Offering Circular are set forth below:

<u>Name</u>	<u>Nationality</u>	<u>Designation</u>
Tan Sri Dato' Azman Hj Mokhtar.....	Malaysian	Chairman/Non-Independent Non-Executive Director
Dato' Sri Jamaludin Ibrahim	Malaysian	Managing Director/President & Group Chief Executive Officer
Tan Sri Ghazzali Sheikh Abdul Khalid	Malaysian	Independent Non-Executive Director
Datuk Azzat Kamaludin	Malaysian	Independent Non-Executive Director
Dato' Abdul Rahman Ahmad	Malaysian	Independent Non-Executive Director
David Lau Nai Pek	Malaysian	Independent Non-Executive Director
Juan Villalonga Navarro.....	Spanish	Independent Non-Executive Director
Bella Ann Almeida.....	British	Independent Non-Executive Director
Dr Muhamad Chatib Basri.....	Indonesian	Independent Non-Executive Director
Kenneth Shen.....	American	Non-Independent Non-Executive Director

Biographies of Directors

Tan Sri Dato' Azman Hj Mokhtar was appointed as the Chairman and Non-Independent Non-Executive Director (Representative of Khazanah Nasional Berhad ("**Khazanah**") of Axiata on 3 March 2008.

Azman was formerly Managing Director and co-founder of the consulting firm BinaFikir, Director, Head of Country Research at Salomon Smith Barney Malaysia and Director, Head of Research, at Union Bank of Switzerland in Malaysia. He has also held various roles within Tenaga Nasional Berhad. Azman has been Managing Director of Khazanah since 1 June 2004. He obtained a Masters of Philosophy in Development Studies from Darwin College, Cambridge University, the United Kingdom as a British Chevening scholar. He is a Fellow of the Association of Chartered Certified Accountants, the United Kingdom and is a Chartered Financial Analyst. He also holds a diploma in Islamic Studies from International Islamic University, Kuala Lumpur, Malaysia.

Azman is also the Chairman of Iskandar Investment Berhad and a Director of Yayasan Khazanah.

Dato' Sri Jamaludin Ibrahim was appointed as the Managing Director/President & Group Chief Executive Officer of Axiata on 3 March 2008. He has worked for about 34 years in the ICT industry, 16 years in the IT industry and 18 years in the telecommunications industry. Prior to his appointment in Axiata, Jamaludin was with Maxis Communication Berhad (the "**Maxis Group**"), which he joined

in 1997 and was appointed Chief Executive Officer in 1998. In 2006, he was redesignated as the Group Chief Executive Officer and retired from the Maxis Group in July 2007. Before joining the Maxis Group, he was the Chief Executive Officer of Digital Equipment Malaysia (the Malaysian branch of Digital Equipment, then the second largest IT-company worldwide) having been appointed in 1993. Jamaludin also spent 12 years in IBM (1981-1993). Prior to IBM, he was a lecturer in Quantitative Methods at the California State University, the United States in 1980. Jamaludin graduated from California State University in 1978 with a Bachelor of Science in Business Administration and minor in Mathematics. He obtained his MBA from Portland State University, Oregon, the United States. Jamaludin is also the Chairman of Celcom, and member of the Boards of XL, Dialog, M1 and the Axiata Foundation. He is also a member of the Board of the GSM Mobile For Development Foundation and Malaysian Global Innovation & Creativity Centre Berhad.

Tan Sri Ghazzali Sheikh Abdul Khalid was appointed as an Independent Non-Executive Director of Axiata on 24 March 2008. He is the Chairman of Board Nomination Committee and Board Remuneration Committee of Axiata.

Ghazzali has made his career as a diplomat since 1971 and became the Ambassador of Malaysia to the United States in March 1999. Prior to his appointment to Washington, D.C., the United States, he served as the Deputy Secretary-General at the Ministry of Foreign Affairs, Malaysia. Over the years, his overseas appointments have included postings to Austria, Germany, Hong Kong, Thailand, the United Kingdom, Zimbabwe and the Permanent Mission of Malaysia to the United Nations in New York. His last diplomatic position before retirement in September 2010, was as Ambassador-at-Large of the Ministry of Foreign Affairs, Malaysia to which he was appointed in 2006. He holds a degree in Economics from the University of La Trobe in Australia.

He is also Chairman of Robi and Chairman of the Axiata Foundation.

Datuk Azzat Kamaludin was appointed as an Independent Non-Executive Director of Axiata on 24 March 2008. He is a member of Board Audit Committee, Board Nomination Committee and Board Remuneration Committee of Axiata.

Azzat is a lawyer by profession and is a partner of the law firm of Azzat & Izzat. Prior to being admitted as an advocate and solicitor of the High Court of Malaya in 1979, he served as an administrative and diplomatic officer with the Ministry of Foreign Affairs, Malaysia from 1970 to 1979. He served as a member of the Securities Commission Malaysia from 1 March 1993 to 21 March 1999. Azzat graduated from the University of Cambridge, the United Kingdom, with degrees in Law and in International Law, and was admitted as a Barrister-at-Law of the Middle Temple, London, the United Kingdom.

Azzat is also Chairman of Dialog, and a director of Celcom Resources Berhad, Boustead Holdings Berhad, Boustead Heavy Industries Corporation Berhad, KPJ Healthcare Berhad and Malaysian Directors Academy.

Dato' Abdul Rahman was appointed as an Independent Non-Executive Director of Axiata on 17 January 2013. He is a member of Board Nomination Committee of Axiata.

Abdul Rahman is a Director and the Chief Executive Officer of Ekuiti Nasional Berhad and also a Director of Icon Offshore Berhad and a director of M+S Pte Ltd, a joint venture property company of Khazanah and Temasek Holdings (Private) Limited.

Abdul Rahman's experience includes his roles as Unit Head at Pengurusan Danaharta Nasional Berhad, Malaysia's national asset management company, Executive Director of SSR Associates Sdn Bhd, Group Managing Director/Chief Executive Officer of Media Prima Berhad, Group Managing Director/Chief Executive Officer of Malaysia Resources Corporation Berhad serving as Special Assistant to the Executive Chairman of Trenergy (M) Berhad/ Turnaround Managers Inc Sdn Bhd, and roles at Arthur Andersen.

Abdul Rahman obtained his MA in Economics from Cambridge University, the United Kingdom and is a Member of the Institute of Chartered Accountants, England and Wales.

David Lau Nai Pek was appointed as an Independent Non-Executive Director and Chairman of the Board Audit Committee of Axiata on 23 April 2008. David has over 35 years of professional experience in finance and leading financial organisations in various locations in Australia, Brunei, China, Malaysia, New Zealand, the Netherlands and the United Kingdom. David retired from Shell Malaysia in August 2011, having served the Shell Group for 30 years in various capacities including the Finance Director for Shell Malaysia, Finance Director of Shell China, Global Controller for the Exploration & Production Division of Royal Dutch Shell, and Vice-President Finance for Shell International Exploration and Production B.V., the Netherlands. David is an associate member of the New Zealand Institute of Chartered Accountants and a member of the Malaysian Institute of Accountants. David obtained his Bachelor of Commerce degree from the University of Canterbury, New Zealand.

David is also a Chairman of the Board Audit Committee of Celcom, Chairman of Smart, and a director of Shell Refining Company (Federation of Malaya) Berhad, Malaysian Airline System Berhad and KKB Engineering Berhad. He is also a member of Investment Panel of Employees Provident Fund.

Juan Villalonga Navarro was appointed as an Independent Non-Executive Director of Axiata on 24 March 2008. He is a member of Board Audit Committee of Axiata. Juan is the Co-Founder and Partner of Hermes Growth Partners. Juan is the former Executive Chairman and Chief Executive Officer of Telefonica Group, where he grew the company's market capitalization from USD12 billion to over USD100 billion. In 2010, Harvard Business Review ranked Juan at number 33 on the list of 100 Top Performing CEOs in the World. He is also a former partner of McKinsey and Company. Juan is a Director of Virgin Mobile Latin America, The Trade Desk and Acibadem. Juan graduated with a degree in Law from Deusto University in Spain and holds an MBA from IESE in Barcelona, Spain.

Bella Ann Almeida was appointed as an Independent Non-Executive Director of Axiata on 21 January 2013. She is a member of Board Nomination Committee and Board Remuneration Committee of Axiata.

Ann was Group Managing Director, Human Resources of The Hongkong and Shanghai Banking Corporation Limited from February 2008 until her retirement in May 2015. She held multiple roles at HSBC having joined in 1992 and was also a member of the Group Management Board. Ann was appointed Head of HR for James Capel (Stockbroking) in 1995 and Director, HR for the Investment Bank, Transaction Bank, Private Bank, Islamic Bank and Asset Management in 1996. She is also the Non-Executive Chairman of the Human Resources Committee of Jadwa Investment, a Saudi Islamic bank.

Ann holds MA in Economics from Cambridge University, the United Kingdom and MBA from Imperial College, London, the United Kingdom.

Dr Muhamad Chatib Basri was appointed as an Independent Non-Executive Director of Axiata on 25 February 2015.

Dr. Basri was formerly Indonesia's Minister of Finance from May 2013 to October 2014. He was Chairman of the Investment Coordinating Board of Indonesia from June 2012 to October 2013. Prior to that, from 2010 to 2012, he served as Vice Chairman of the National Economic Committee of the President of Indonesia. He is currently the Chairman of Indonesia Infrastructure Finance and Chairman of the Advisory Board of Mandiri Institute.

Dr. Basri was a member of the Asia Pacific Regional Advisory Group of the International Monetary Fund and a member of the High Level Trade Experts Group from 2010 to 2012. In 2010, he co-founded CReco Research Institute, a Jakarta-based economic consulting firm. Since 1995, Dr Basri has been a lecturer at the Department of Economics, University of Indonesia. Dr Basri obtained his PhD in Economics and Masters of Economic Development from the Australian National University, Australia and his Bachelor of Economics from University of Indonesia, Indonesia.

He has acted as a consultant for the World Bank, the Asian Development Bank, the USAID, AUSAID, OECD and UNCTAD. He is the author of a number of papers in international academic journals and actively writes for various leading newspapers and magazines in Indonesia.

Kenneth Shen was appointed as a Non-Independent Non-Executive Director (Representative of Khazanah) of Axiata on 5 October 2011. He is a member of Board Audit Committee, Board Nomination Committee and Board Remuneration Committee of Axiata.

Kenneth joined Khazanah as Executive Director of Investments in 2011. He has more than 25 years of global investment, corporate finance and mergers and acquisitions experience gained in New York, Hong Kong, Qatar and Malaysia. Prior to joining Khazanah, Kenneth was with Qatar Investment Authority (“QIA”) from 2006 where he most recently was Advisor to the CEO and a member of the Board of Directors of Qatar Holding LLC. In addition, Kenneth had responsibility for QIA’s direct investments in public and private companies as well as its investments in private equity, special situations and venture capital funds. Prior to that, he was with Salomon Brothers Inc and its successor companies from 1996 where his most recent role was Co-Head, Corporate Finance at Citigroup Global Markets Asia Limited. Prior to Salomon Brothers, Kenneth was with Lehman Brothers Inc. from 1992 in Lehman’s Merchant Banking and Principal Investments Groups in New York. Kenneth holds a Bachelor of Arts degree (magna cum laude) in East Asian Languages and Civilisations (Japanese) and Economics from Harvard College and an MBA from the Harvard Graduate School of Business Administration, the United States. In addition, he has completed studies at Keio University, Japan.

Shareholdings of Directors

The direct and indirect shareholding interests of the directors of Axiata in the share capital of Axiata as at 30 June 2015 are as follows:

Directors	Direct		Indirect		No. of Shares Entitled to be Vested Under Axiata RSP			
	No. of Shares Held	%	No. of Options Held	%	No. of Shares Held	%	Shares	%
Dato’ Sri Jamaludin Ibrahim ..	—	—	1,277,700 ¹	0.005	4,301,700 ²	0.05	867,900 ³	0.01

Notes:

- (1) Shareholdings of 1,277,700 Axiata Shares held under CIMSEC Nominees (Tempatan) Sdn Bhd.
- (2) 4,301,700 Options granted pursuant to Axiata’s Performance-Based Employee Share Option and Share Scheme.
- (3) The number of Axiata RSP Shares that may vest is 867,900 provided that the performance targets for vesting are met. If not met, the amount could be nil or a portion of the amount. However, if the super stretched individual performance targets and Axiata Group meeting superior company performance targets at the point of vesting are met up to 4,645,600 Axiata Shares may be vested.

KEY MANAGEMENT

The members of the Group's key management and management of the Group's key operating subsidiaries and associates as of the date of this Offering Circular are set forth below:

<u>Name</u>	<u>Nationality</u>	<u>Designation</u>
Dato' Sri Jamaludin Ibrahim	Malaysian	Managing Director/President & Group Chief Executive Officer, Axiata
Thandalam Veeravalli Thirumala Chari ...	Indian	Group Chief Financial Officer, Axiata
Dato' Sri Mohammed Shazalli Ramly	Malaysian	Chief Executive Officer, Celcom
Dian Siswarini	Indonesian	President Director, XL
Dr Hans Wijayasuriya	Sri Lankan	Director and Group Chief Executive Officer, Dialog
Supun Weerasinghe	Sri Lankan	Managing Director and Chief Executive Officer, Robi
Thomas Hundt	German	Chief Executive Officer, Smart
Mohd Khairil Abdullah	Malaysian	Chief Executive Officer, Axiata Digital Services
Suresh Sidhu	Malaysian	Chief Executive Officer, edotco
Karen Kooi	Singaporean	Chief Executive Officer, M1
Himanshu Kapania	Indian	Managing Director, Idea
Adnan Asdar	Pakistani	Chief Executive Officer, Multinet

Biographies of management

Dato' Sri Jamaludin Ibrahim. See "*Board of Directors — Biographies of Directors*".

Thandalam Veeravalli Thirumala Chari was appointed as Group Chief Financial Officer of Axiata on 1 January 2014. Prior to this role, Chari served as Chief Financial Officer of Celcom since May 2009. Before moving to Celcom, Chari was Vice President, Sales at HP Financial Services Asia Pacific and Japan. He spent 20 years at HP, of which 10 years was in senior finance positions in various countries such as Hong Kong, Malaysia, Thailand and Singapore, and 10 years heading Sales and Marketing for Asia Pacific.

Chari holds an MBA from State University of New York in Buffalo, the United States. He is also a member of the Chartered Institute of Management Accountants, the United Kingdom, an Associate member of the Institute of Chartered Accountants and Institute of Cost and Works Accountants from India.

Dato' Sri Mohammed Shazalli Ramly was appointed Chief Executive Officer and Director of Celcom on 1 September 2005. Prior to that, he was Chief Executive Officer of ntv7, Malaysia's seventh terrestrial TV station, a position he held for eight years from 1998.

Shazalli worked for Lever Brothers from 1987 to 1993 before working for the Malaysian Tobacco Company and British American Tobacco in Malaysia and the United Kingdom from 1993 to 1996. He then spent two years as Astro's Marketing Director where he pioneered the launch of Astro digital satellite services in Malaysia.

Shazalli graduated from Universiti Teknologi MARA Perlis in 1982, holds a Bachelor of Science (Marketing) from Indiana University, Bloomington, Indiana, the United States and an MBA from St. Louis University, Missouri, the United States.

Shazalli is a director of Celcom Retail Sdn Bhd, Celcom Mobile Sdn Bhd, Celcom Networks Sdn Bhd, Celcom Resources Berhad, Tune Talk Sdn Bhd and Celcom Planet Sdn Bhd. He is also CEO and Director of Escape Axiata Sdn Bhd, a wholly owned subsidiary of Celcom. He is also a board member of Axiata Digital Services, the Kuala Lumpur Business Club and PR1MA Corporation, Malaysia and a Non-Executive Director of Malaysian Airlines Systems Berhad.

Shazalli has been the recipient of leadership awards including Masterclass CEO of the Year Award and CEO of the Year by PC.Com Reader's Choice Awards, and the Business Leadership Award. In 2013, Dato' Sri Shazalli Ramly was also awarded the 'ICT Personality of the Year' at the PIKOM Leadership Awards Night.

Dian Siswarini was appointed President Director of XL in April 2015. She also serves on the board of Axiata Digital Services. She was previously Axiata's Chief Marketing and Operations Officer. Previously, Dian also served as the Director/ Chief Digital Services Officer of XL between 2011 and 2014 and the Director of Network Services of XL between 2007 and 2011.

Dian has more than 20 years experience in the telecommunications industry, mainly in Network and Engineering. She joined XL in 1996 as a Radio Network Design Engineer. Prior to her appointment as a Director, Dian held multiple positions in the Network and Engineering Department including her final position as Senior Vice President of Network Planning & Development.

Dian graduated from Bandung Institute of Technology majoring in Telecommunications in 1991 and Harvard Advance Management Programme, Harvard Business School, USA in 2013.

Dr Hans Wijayasuriya is Group Chief Executive Officer of Dialog. He joined Dialog's founding management team in 1994, and took on the role of CEO in 1997. From 2012 to 2014, Hans additionally held the role of CEO of Axiata Digital Services. Hans continues to serve on the board of Axiata Digital Services and several of its digital venture subsidiaries. He also represents Axiata as a nominee director on the boards of the TM Forum and on the board of Idea.

Hans was awarded the 'Sri Lankan of the Year' award by the Sri Lankan business journal LMD in 2008, and the CIMA-Janashakthi Business Leader of the Year Award in 2003.

Hans graduated from the University of Cambridge with a Degree in Electrical and Electronic Engineering, obtained his PhD in Digital Mobile Communications from the University of Bristol and his MBA from the University of Warwick. Hans is also a Chartered Engineer and fellow member of the Institute of Engineering Technology UK.

Supun Weerasinghe was appointed Managing Director and Chief Executive Officer of Robi on 1 January 2014. Prior to joining Robi, Supun served as Group Chief Strategy Officer of Axiata. Whilst serving as Head of Network Transformation Strategic Business Unit, Supun assisted in the development of Axiata's long term strategic plan through work with the Group Technology, Carrier Collaboration and Axiata Intelligence Unit (previously Axiata Management Services).

He is a fellow member of the Chartered Institute of Management Accountants, the United Kingdom, and holds a B.Sc. in Accountancy and Financial Management from the University of Sri Jayewardenepura, Sri Lanka. He has an MBA from the University of Western Sydney, Australia and is an alumnus of the Harvard Business School (AMP 182).

Thomas Hundt is the Chief Executive Officer of Smart. Thomas has previously held key management positions with Siemens AG's Communication Division and Nokia Siemens Networks. Thomas was also a member of the Supervisory Board of Azerfon in Azerbaijan. Since mid-2008, he has been CEO of the start-up mobile operator, Smart Mobile in Cambodia. He grew Smart Mobile from a greenfield, company ranked eighth in the market to number three based on number of mobile subscribers, including the acquisition of Star-Cell in 2011.

Since the completion of the merger between Hello Axiata and Smart Mobile in February 2013, Thomas has served as the CEO of Smart, now the number two mobile operator in Cambodia based on number of mobile subscribers.

Mohd Khairil Abdullah was appointed as Chief Executive Officer of Axiata Digital Services in January 2015. Khairil leads Axiata's investments and operations in digital businesses. He oversees Axiata's business units and joint ventures in e-Commerce, Digital Advertising, Mobile Money, Entertainment, IoT and Big Data Analytics. He was previously the Group Chief Marketing and Operations Officer of Axiata having assumed the role upon joining Axiata in 2012.

Prior to Axiata, Khairil had worked for Bain & Company focusing on telecommunication as well as other industries. Khairil holds a BA, MA and MEng from the University of Cambridge, the United Kingdom and an MBA from INSEAD, France.

Suresh Sidhu was appointed Chief Executive Officer of edotco in August 2014. Suresh had previously served as Chief Corporate and Operations Officer of Celcom from 2012. Prior to his appointment at Celcom, Suresh was Group Chief Officer — Enterprise and Global at Dialog.

Suresh joined Axiata in 2009. Before Axiata, Suresh held senior roles in strategy, international wholesale, and merger and acquisitions at Maxis Communications Berhad. Suresh also spent over seven years with the Boston Consulting Group in strategy consulting in Southeast Asia and North America.

Suresh holds a degree in Natural Sciences from University of Cambridge, the United Kingdom and an MBA from INSEAD, France.

Karen Kooi was appointed as Chief Executive Officer and Executive Director of M1 on 22 April 2009. Karen was also the Acting Chief Executive Officer of M1 from 1 February 2009 to 22 April 2009.

Karen joined M1 as Chief Financial Officer in August 1995. She was a member of the senior management team responsible for the planning, development and launch of M1's commercial operations. Prior to joining M1, Karen held various senior financial positions in large public listed companies, including Singapore Press Holdings Limited and City Developments Limited. She has over 30 years of experience in general and financial management.

Karen is a Fellow of the Association of Chartered Certified Accountants (the United Kingdom) and holds a Master of Business Administration degree in Investment and Finance (Distinction) from the University of Hull, the United Kingdom.

Himanshu Kapania has been the Managing Director of Idea since April 2011. Himanshu has had two separate stints with Idea. During his first stint in 1997, he was responsible for managing Idea's operations in the service areas of Maharashtra and Gujarat, and later launched Idea's services in Delhi Metro. Subsequently, he worked with Reliance Infocomm Ltd where he was responsible for its operations in the northern region of India. Himanshu rejoined Idea in 2006, overseeing Idea's growth in South and Western India. He is responsible for strengthening Idea's foothold in service areas, while also launching services in new service areas and expanding Idea's brand presence in India.

Himanshu holds a bachelor degree in Electrical & Electronics Engineering from Birla Institute of Technology, Mesra (1979-1983) and a postgraduate from the Indian Institute of Management, Bangalore (1988-1990).

Adnan Asdar is the co-founder and Chief Executive Officer of Multinet. Adnan has over 25 years experience in structural and forensic engineering, construction management, quality control and project management.

He also advises several non-profit organisations primarily focused on education and health and is on the Executive Council Board for the Citizen's Foundation, Hunar Foundation and Indus Hospital.

Adnan has a degree in Science (Civil Engineering) from the University of Wisconsin, the United States and a Masters in Science (Forensic Engineering) from the University of Minnesota, the United States.

DESCRIPTION OF THE TRUSTEE

Axiata SPV2 Berhad, a wholly-owned subsidiary of Axiata, is a public company incorporated in Malaysia with limited liability under the Companies Act, 1965 of Malaysia on 4 June 2012. The purpose of Axiata SPV2 Berhad is to issue the Sukuk, to enter into the Transaction Documents to which it is a party and to hold the Trust Assets on behalf of the Sukukholders. Its registered office is located at Level 5, Corporate Headquarters, Axiata Tower, 9 Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia. The Trustee's board of directors currently consists of Suryani Hussein, Tan Gim Boon and Thandalam Veeravalli Thirumala Chari. The Trustee has no employees. The secretary of the Trustee is Suryani Hussein, a licenced company secretary in accordance with section 139A(b) of the Companies Act, 1965 of Malaysia.

As at the date of this Offering Circular, the authorised share capital of the Trustee is RM100,000.00 divided into 100,000 ordinary shares of par value RM1.00 per share and the issued and fully paid-up share capital of the Trustee is RM2.00 consisting of 2 ordinary shares of RM1.00 each. No part of the equity of the Trustee is listed or dealt on any stock exchange and no listing or permission to deal in such securities is being or is proposed to be sought. The Trustee does not have debt outstanding other than the Sukuk issued under the Programme. The Trustee has no subsidiaries.

SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS

The following is a summary of certain provisions of the relevant principal Transaction Documents and is qualified in its entirety by reference to the detailed provisions of the relevant principal Transaction Documents. Copies of the Transaction Documents will be available for inspection at the offices of the Trustee and the Paying Agents (as defined in the Conditions).

Unless otherwise specified, defined terms in this section should be interpreted as being applicable to each Series, *mutatis mutandis*, as the relevant context may require.

1. MASTER SHARE PURCHASE AGREEMENT

Pursuant to:

- (a) a master share purchase agreement dated 17 July 2012 between Axiata as seller (in such capacity, the “**Seller**”) and the Trustee as purchaser (the “**Master Share Purchase Agreement**”); and
- (b) a supplemental share purchase agreement in connection with each Series issued which comprises shares (a “**Supplemental Share Purchase Agreement**”),

the Seller may sell, transfer and convey to the Trustee the beneficial ownership in and to each of the shares described in the relevant Supplemental Share Purchase Agreement (the “**Original Shares**”), together with the right to receive all dividends, distributions and other monies at any time payable in respect of such shares, all voting rights and all other rights, benefits and proceeds in respect of or derived from such shares.

In connection with each Series comprising shares, the Seller and Trustee will enter into a Supplemental Share Purchase Agreement and the Trustee shall make payment of the purchase price set out in that Supplemental Share Purchase Agreement to the Seller, in the relevant currency for that Series in freely available funds (inclusive of any applicable Taxes) for value on the date of that Supplemental Share Purchase Agreement in consideration for the sale and transfer of the Original Shares by the Seller to the Trustee.

The Seller will undertake in the Master Share Purchase Agreement and each Supplemental Share Purchase Agreement that, for so long as the Trustee remains the owner of the Original Shares in accordance with the Transaction Documents, it shall not enter into a single transaction or a series of transactions (whether related or not), to sell, lease, transfer or otherwise dispose of the whole or any part of the legal interest in and to any of the Original Shares and will not create or permit to subsist any Encumbrance on any part of the legal interest in and to any of the Original Shares or otherwise deal with any part of the legal interest in and to any of the Original Shares, save as may be permitted under the Transaction Documents or required by law. In circumstances where the Seller is required by law to do any of the foregoing and such action adversely affects the Trustee’s beneficial interest in the relevant Original Shares, the Seller shall be obliged to provide beneficial ownership in replacement shares that are of equivalent value and in companies that comply with the Eligibility Criteria.

The Seller will only provide limited representations and warranties in respect of the Original Shares, including that the companies (each a “**Relevant Company**”) to which the Original Shares relate are in compliance with the Eligibility Criteria.

The Master Share Purchase Agreement and Supplemental Share Purchase Agreements are governed by, and shall be construed in accordance with, English law.

“**Eligibility Criteria**” means, in relation to a Relevant Company:

- (a) the activities of the Relevant Company comply with the principles of *Shari’a* and in particular do not involve activities or investments in the following industry sectors: (i) conventional finance; (ii) conventional insurance; (iii) alcohol; (iv) pork related products and production, packaging and processing of food that is prohibited under *Shari’a* or any other activities related to pork and food that is prohibited under *Shari’a*; (v) entertainment (including casinos, gambling, cinemas, music, pornography and hotels); (vi) tobacco; and (vii) weapons, arms and defence manufacturing;
- (b) the total debt of the Relevant Company (as specified in its most recent set of financial statements) is less than thirty three per cent. (33 per cent.) of its total assets (as specified in its most recent set of financial statements);
- (c) total cash plus interest bearing instruments are less than thirty three per cent. (33 per cent.) of its total assets (in each case, as specified in its most recent set of financial statements);
- (d) its accounts receivables and cash are less than fifty per cent. (50 per cent.) of its total assets (in each case, as specified in its most recent set of financial statements); and
- (e) its total revenue from interest and activities that do not comply with the principles of *Shari’a* per annum does not exceed more than five per cent. (5 per cent.) of its total revenues per annum.

“**Encumbrance**” means any mortgage, charge, pledge, lien, deed of trust, security interest or other encumbrance or preferential arrangement that has the effect of constituting a security interest.

“**Taxes**” means any tax, levy, duty or other charge or withholding of a similar nature imposed in Malaysia.

2. MASTER AIRTIME PURCHASE AGREEMENT

Pursuant to:

- (a) a master airtime purchase agreement (the “**Master Airtime Purchase Agreement**”) dated 17 July 2012 between Axiata as seller (in such capacity, the “**Seller**”) and the Trustee as purchaser; and
- (b) a supplemental airtime purchase agreement in connection with each Series issued comprising airtime vouchers (a “**Supplemental Airtime Purchase Agreement**”),

the Seller may sell, transfer and convey to the Trustee airtime vouchers representing an entitlement to a specified number of airtime minutes (the “**Airtime Minutes**”) on an Authorised Entity’s mobile telecommunications network for on-net calls (the “**Airtime Vouchers**”).

In connection with each Series comprising Airtime Vouchers, the Seller and Trustee will enter into a Supplemental Airtime Purchase Agreement and the Trustee will pay to the Seller (or procure that the Seller is paid) the relevant purchase price set out in the Supplemental Airtime Purchase Agreement, in the currency in which that Series is denominated (inclusive of any applicable Taxes) on, or immediately after, the date of that Supplemental Airtime Purchase Agreement, in consideration for the transfer to the Trustee of the Seller’s rights, benefits, entitlements and interests in, to and under the relevant Airtime Vouchers.

The Master Airtime Purchase Agreement and Supplemental Airtime Purchase Agreements are governed by, and shall be construed in accordance with, English law.

“**Authorised Entity**” means an entity which is a duly licenced provider of telecommunications services or such other person as may lawfully provide such telecommunications services in the jurisdiction in which such person is providing telecommunications services.

“**Taxes**” means any tax, levy, impost, duty or other charge or withholding of a similar nature.

3. MASTER HEADLEASE AGREEMENT

Pursuant to:

- (a) a master headlease agreement (the “**Master Headlease Agreement**”) dated 17 July 2012 between Axiata as lessor (in such capacity, the “**Lessor**”) and the Trustee as lessee (in such capacity, the “**Lessee**”); and
- (b) a supplemental headlease agreement in connection with each Series issued comprising lease assets (a “**Supplemental Headlease Agreement**”),

the Lessor may agree to lease to the Lessee, and the Lessee may agree to lease from the Lessor, the lease assets set out in the relevant Supplemental Headlease Agreement (the “**Lease Assets**”) for the term set out in the relevant Supplemental Headlease Agreement (the “**Lease Term**”). The Lease Term, in relation to a particular Series, will be for a period of ninety nine (99) years.

The Lessee has agreed to pay to the Lessor the lease payment specified in the relevant Supplemental

Headlease Agreement (the “**Lease Payment**”) in consideration for lease of the Lease Assets.

The Lessor acknowledges that the Lessee is permitted to sub-let all or any part of the Lease Assets to any person and on such terms and conditions as the Lessee may determine in its absolute discretion.

If a Total Loss Event occurs with respect to the Lease Assets, then the lease shall automatically terminate and the insurance proceeds shall be applied in accordance with the terms of the Transaction Documents.

The Master Headlease Agreement and Supplemental Headlease Agreements are governed by, and shall be construed in accordance with, the laws of Malaysia.

“**Total Loss Event**” means, in relation to a Series comprising Lease Assets, the earlier of the date that (A) the Trustee is notified and (B) the Trustee becomes aware of (i) a total loss or destruction of, or damage to the whole of the Lease Assets in a particular Series or any event or occurrence that renders the whole of such Lease Assets permanently unfit for any economic use and (but only after taking into consideration any insurances or other indemnity granted in each case by any third party in respect of the Lease Assets) the repair or remedial work in respect thereof is wholly uneconomical or (ii) Axiata ceasing to have full legal ownership in the entirety of the Lease Assets.

4. MASTER SUB-LEASE AGREEMENT

Pursuant to:

- (a) a master sub-lease agreement (the “**Master Sub-Lease Agreement**”) dated 17 July 2012 between the Trustee as lessor (in such capacity, the “**Lessor**”) and Axiata as lessee (in such capacity, the “**Lessee**”); and
- (b) a supplemental sub-lease agreement in connection with each Series issued comprising lease assets (a “**Supplemental Sub-Lease Agreement**”),

the Lessor may agree to sub-lease to the Lessee, and the Lessee may agree to sub-lease from the Lessor, the Lease Assets set out in the relevant Supplemental Sub-Lease Agreement during the term of the lease set out in the relevant Supplemental Sub-Lease Agreement (the “**Lease Term**”). The Lease Term, in relation to each Series, will commence on the date of the relevant Supplemental Sub-Lease Agreement and end on the Scheduled Dissolution Date for such Series unless:

- (a) the lease is terminated on an earlier date in accordance with the terms of the Master Sub-Lease Agreement or any other Transaction Document, in which case it will terminate on the date on which such early termination becomes effective; or
- (b) the lease is extended in accordance with the terms of the Purchase Undertaking (see the section entitled “*Purchase Undertaking*” below for further details), in which case it shall end on the last day of the relevant Additional Lease Period and which, save as provided below in respect of a Total Loss Event, will correspond to the period during which any Sukuk remain outstanding.

During the term of the lease, the Lessee has agreed to pay to the Lessor the rental payments specified in the relevant Supplemental Sub-Lease Agreement for the Lease Term (the “**Rental**”).

The Rental will be used to pay the Lease Percentage of the Periodic Distribution Amounts payable on the Periodic Distribution Dates in respect of the Sukuk for the relevant Series.

If a Total Loss Event occurs with respect to the Lease Assets, then the lease in relation to those Lease Assets shall automatically terminate and the Lessor will be entitled to any amounts payable pursuant to the Master Wakala Agreement, together with any due and unpaid Rental up to the date on which the Total Loss Event occurred (see the section entitled “*Master Wakala Agreement*” below for further details).

The Lessee undertakes to notify the Lessor and the Principal Paying Agent immediately upon becoming aware that a Total Loss Event has occurred.

The Lessee shall, at its own cost and expense, be responsible for the performance of all Ordinary Maintenance and Repair required for the Lease Assets. The Lessor shall be responsible for:

- (a) the performance of all Major Maintenance and Structural Repair;
- (b) the payment of any Taxes (if any); and
- (c) obtaining insurance for the Lease Assets, to the extent that it is reasonable and commercially practicable, in a *Shari’a* compliant manner,

and the Lessee acknowledges that the Lessor will procure that the Wakeel, in accordance with the terms and conditions set out in the Master Wakala Agreement, shall perform, or shall procure the performance of, all Major Maintenance and Structural Repair and the payment of Taxes (if any).

All payments by the Lessee to the Lessor under the Master Sub-Lease Agreement and relevant Supplemental Sub-Lease Agreement shall be paid without any set off (save as provided in the Master Wakala Agreement and the other Transaction Documents) or counterclaim of any kind and without any deduction or withholding for or on account of tax unless required by law and, in the event that a deduction or withholding is imposed by or on behalf of any relevant taxing authority, the Lessee shall pay all additional amounts so that the net amount received by the Lessor will equal the full amount which would have been received by it had no such deduction or withholding been made.

Under the Master Sub-Lease Agreement, the Lessee shall bear the entire risk of loss of or damage to the Lease Assets or any part thereof arising from the usage or operation thereof by the Lessee (other than any Major Maintenance and Structural Repair which is the responsibility of the Lessor). In addition, the Lessor shall not be liable (and the Lessee will waive any claim or right, howsoever arising, to the contrary) for any indirect, consequential or other losses, howsoever arising, in connection with the Lessee's use or operation of the Lease Assets.

The Master Sub-Lease Agreement and Supplemental Sub-Lease Agreements are governed by, and shall be construed in accordance with, the laws of Malaysia.

"Additional Lease Period" means, in relation to a particular Series, the period for which the lease of the relevant Lease Assets continues in accordance with the terms of the Purchase Undertaking.

"Lease Assets" means, in relation to a particular Series, the assets applicable to such Series (as set out in Schedule 1 of the relevant Supplemental Sub-Lease Agreement), as such assets may be repaired, refurbished, upgraded or replaced from time to time as a result of:

- (a) any Major Maintenance and Structural Repair and/or any Ordinary Maintenance and Repair;
or
- (b) any substitution in accordance with the Substitution Undertaking.

"Lease Percentage" means, in relation to a particular Series comprising Lease Assets and at any time, the ratio (expressed as a percentage) of (i) the aggregate Value of the relevant Lease Assets to (ii) the aggregate Value of the Airtime Vouchers (if any) and Lease Assets at that time.

"Major Maintenance and Structural Repair" means all structural repair and major maintenance (other than Ordinary Maintenance and Repair), including doing such acts or things and taking such steps to ensure that the Lease Assets suffer no damage, loss or diminution in value, without which the Lease Assets could not be reasonably and properly used by the Lessee.

"Ordinary Maintenance and Repair" means all repairs, replacements, acts, maintenance and upkeep works required for the general use and operation of the Lease Assets and to keep, repair, maintain and preserve the Lease Assets in good order, state and condition.

"Rental Payment Date" means, in relation to a particular Series, each date falling one Business Day prior to each Periodic Distribution Date and (if applicable) the last day of an Additional Lease Period;

"Share Purchase Price" has the meaning given to it in the Master Wakala Agreement;

“**Shares**” has the meaning given to it in the Master Wakala Agreement;

“**Specified Currency**” means, in relation to a particular Series, the currency in which such Series is denominated;

“**Supplementary Rental**” means, in respect of a Lease Period, an amount equal to the Wakala Services Charge Amount applicable to the immediately preceding Lease Period, save that no Supplementary Rental shall be payable on the first Rental Payment Date;

“**Tax**” or “**Taxes**” means any tax, levy, duty or other charge or withholding of a similar nature imposed in Malaysia.

“**Total Loss Event**” means, in relation to a Series comprising Lease Assets, the earlier of the date that (A) the Trustee is notified and (B) the Trustee becomes aware of (i) a total loss or destruction of, or damage to the whole of the Lease Assets in a particular Series or any event or occurrence that renders the whole of such Lease Assets permanently unfit for any economic use and (but only after taking into consideration any insurances or other indemnity granted in each case by any third party in respect of the Lease Assets) the repair or remedial work in respect thereof is wholly uneconomical or (ii) Axiata ceasing to have full legal ownership in the entirety of the Lease Assets.

“**Value**” means, in relation to a particular Series and at any time:

- (a) in respect of Airtime Vouchers, the aggregate Voucher Cost Price of such Airtime Vouchers on the Issue Date and any subsequent Airtime Vouchers purchased pursuant to the terms of the Transaction Documents whilst such Series remains outstanding, less the aggregate Voucher Cost Price of any Airtime Vouchers which Axiata has substituted with Lease Assets pursuant to the terms of the Transaction Documents **provided that** following a Revocation Event this amount shall be reduced to zero until new Airtime Vouchers have been purchased pursuant to a Supplemental Airtime Purchase Agreement;
- (b) in respect of Lease Assets, an amount equal to the amount of the relevant Lease Payment and any subsequent Lease Payments paid pursuant to the terms of the Transaction Documents whilst such Series remains outstanding, less the aggregate Voucher Cost Price of any Airtime Vouchers replacing the relevant Lease Assets pursuant to the terms of the Transaction Documents, **provided that** following a Total Loss Event this amount shall be reduced to zero until such time that additional Lease Assets have been leased pursuant to a Supplemental Sub-Lease Agreement; and
- (c) in respect of Shares, the Share Purchase Price for such Shares,

in each case, in the Specified Currency.

5. MASTER WAKALA AGREEMENT

Pursuant to a master wakala agreement (the “**Master Wakala Agreement**”) 17 July 2012 between the Trustee and Axiata, the Trustee appoints Axiata as its agent (in such capacity, the “**Wakeel**”) to perform certain services on its behalf.

Pursuant to the terms of the Master Wakala Agreement, the Wakeel shall, in relation to each Series:

- (a) use all reasonable endeavours to procure that, at all times following each Issue Date, where a particular Series comprises outstanding Murabaha Contracts (A) the aggregate of (i) the Value of any Airtime Vouchers owned by the Trustee but unsold by the Wakeel in that Series (if applicable to that Series); (ii) the Value of Lease Assets in that Series (if applicable to

that Series); and (iii) the Value of Shares in that Series (if applicable to that Series) (each a “**Tangible Asset**” and together, the “**Tangible Assets**”) is greater than (B) the aggregate Deferred Payment Price of such outstanding Murabaha Contracts (the “**Tangibility Requirement**”). In addition, the Wakeel shall ensure that at all times, where a Series comprises Shares, the aggregate Value of the Shares to the aggregate Value of all Tangible Assets for such Series shall be no more than 50 (fifty) per cent. (the “**Share Ratio**”);

- (b) ensure that, in the event that it is in breach of the Tangibility Requirement or the Share Ratio (as applicable) at any time, use all reasonable endeavours to acquire as soon as reasonably practicable thereafter (i) sufficient Tangible Assets to ensure that the Tangibility Requirement is maintained or (ii) sufficient-Tangible Assets other than Shares to ensure that the Share Ratio is maintained;
- (c) on behalf of the Trustee:
 - (i) ensure that all Major Maintenance and Structural Repair in respect of the Lease Assets is carried out;
 - (ii) pay all Taxes (if any) charged, levied or claimed in respect of the Lease Assets;
 - (iii) collect any Rental Payments payable by Axiata;
 - (iv) be responsible for ensuring that the Lease Assets are, so long as the Sukuk for the relevant Series are outstanding, insured and, to the extent that it is reasonable and commercially practicable, in a *Shari’a* compliant manner against a Total Loss Event in an insured amount, at all times, at least equal to the Takaful/Insurance Coverage Amount;
 - (v) ensure that, in the event of a Total Loss Event occurring and where a prior Revocation Event has not occurred, apply the Takaful/Insurance Proceeds (on behalf of the Trustee) towards the purchase of additional Airtime Vouchers in accordance with a Supplemental Airtime Purchase Agreement or towards lease payments for new assets in accordance with a Supplemental Headlease Agreement; and
 - (vi) ensure that, in the event of a Total Loss Termination Event occurring, all Takaful/Insurance Proceeds are paid in the Specified Currency directly into the Transaction Account as soon as practicable and in any event by no later than close of business in Malaysia on the 45th day after the occurrence of the Total Loss Event;
- (d) so long as the Trustee remains the owner of the beneficial interest in the Original Shares, as such shares may be replaced from time to time as a result of any substitution under the Master Wakala Agreement or the relevant Supplemental Share Purchase Agreement (the “**Shares**” (which term shall not include any shares the beneficial interest to which has been sold or transferred to Axiata under the terms of the relevant Transaction Document)), on behalf of the Trustee and in relation to each Series:
 - (i) pay all calls or other payments when due in respect of any part of the Shares;
 - (ii) monitor the activities and financial information of each of the Relevant Companies in order to check on an ongoing basis, in consultation with and advice from its *Shari’a* adviser (selected by the Wakeel in its sole discretion) whether the Relevant Companies are in compliance with the Eligibility Criteria;

- (iii) if a Relevant Company ceases to comply with the Eligibility Criteria, substitute the Shares of that Relevant Company (the “**Ineligible Shares**”) with the beneficial ownership in and to shares (and related rights to receive all dividends, distributions and other monies at any time payable in respect of such shares, all voting rights and all other rights, benefits and proceeds in respect of or derived from such shares) (the “**Replacement Shares**”) that:
 - (A) are in a company that, at the time of such substitution, is in compliance with the Eligibility Criteria; and
 - (B) are of a value such that the aggregate value of the Shares after such substitution is not less than the Share Value; and
- (iv) enter into all such documentation and do all such things as are necessary to ensure that any substitution of Ineligible Shares for Replacement Shares in accordance with paragraph (iii) immediately above is valid and effective and appropriately transfers beneficial ownership in such Replacement Shares to the Trustee;
- (e) upon receipt of a Notice of Request to Purchase under the Master Murabaha Agreement, acquire Commodities, either itself or through the Transaction Agent, for an amount to be determined by the Trustee in the relevant Notice of Request to Purchase (the “**Commodity Amount**”) on or before the Issue Date of the relevant Series **provided always that** the Commodity Amount for each Series shall be an amount no greater than 48 per cent. of the relevant Proceeds; and
- (f) act as the Trustee’s sole and exclusive distributor to sell Airtime Vouchers to Customers in its sole discretion through an Authorised Entity, on the terms of the Master Wakala Agreement and/or, as applicable, the relevant Distribution Notice.

The minimum sale price for the Airtime Vouchers (as specified in the Master Wakala Agreement) shall be calculated by reference to the Voucher Percentage, such that the proceeds from the sale of Airtime Vouchers in any Distribution Period, together with the Rental under the relevant Supplement Sub-Lease Agreement (if any) shall be sufficient to cover Periodic Distribution Amounts.

The Wakeel shall be entitled to collect and retain for its own account all dividends or other distributions made in respect of the Shares as an incentive fee for its ongoing performance as Wakeel in accordance with the terms of the Master Wakala Agreement.

In the event that the Wakeel fails to comply with its undertaking in the Master Wakala Agreement to purchase Commodities for the amount determined by the Trustee in the relevant Notice of Request to Purchase, the Wakeel acknowledges that it will have failed to comply with its obligations under the Master Wakala Agreement and the Trustee will have incurred losses in amount equal to the Commodity Amount and undertakes to indemnify the Trustee, on the relevant Dissolution Date, for an amount equal to the outstanding Commodity Amount (the “**Wakala Indemnity Amount**”), **provided that** an amount equal to the Wakala Indemnity Amount to be paid by the Wakeel to the Trustee shall be set off to the fullest extent possible against any outstanding Cancellation Amounts to be paid by the Trustee to Axiata in relation to the exercise of the Redemption Undertaking (see the section entitled “*Redemption Undertaking*” below for further details).

Other than on the first Wakala Services Payment Date, the Trustee shall reimburse the Wakeel for each Wakala Services Charge Amount:

- (a) on the Wakala Services Payment Date for the next Wakala Services Period; and

- (b) in the case of the final Wakala Services Period of the Wakala Services Term, on the Wakala Services End Date,

provided that an amount equal to:

- (a) the Supplementary Rental to be paid by the Wakeel (as Lessee under the Lease Agreement) to the Trustee (as Lessor under the Lease Agreement) as (or as part of any) Rental under the Lease Agreement; or
- (b) the Wakala Services Charge Amount that is payable as part of any exercise price pursuant to the Purchase Undertaking or Sale Undertaking; or
- (c) the proportion of the Minimum Sale Price to be paid by the Wakeel to the Trustee pursuant to the Master Wakala Agreement that comprises the Wakala Services Charge Amount,

shall be set off against the Wakala Services Charge Amount to be paid by the Trustee to the Wakeel under the Master Wakala Agreement.

The Master Wakala Agreement provides that if (i) a Total Loss Event occurs and an amount (if any) less than the Takaful/Insurance Coverage Amount is available to the Wakeel for the purchase of additional Airtime Vouchers or to be applied by the Wakeel towards the lease of new assets from Axiata or (ii) a Total Loss Termination Event occurs and the amount credited to the relevant Transaction Account is less than the Takaful/Insurance Coverage Amount (the difference between the Takaful/Insurance Coverage Amount and the amount available to Axiata or credited to such Transaction Account (as applicable) being the “**Total Loss Shortfall Amount**”), then the Wakeel will undertake to (A) in the event that paragraph (i) above is applicable, pay the Total Loss Shortfall Amount towards the purchase of additional Airtime Vouchers or the lease of new assets from Axiata (as applicable) or (B) in the event that paragraph (ii) above is applicable, pay the Total Loss Shortfall Amount (in the Specified Currency in same day, freely transferable, cleared funds) directly to the Transaction Account, in each case as soon as practicable and in any event by no later than close of business in Malaysia on the 46th day after the Total Loss Event has occurred. Thereafter, and subject to the Wakeel’s strict compliance with the provisions of the Master Wakala Agreement, any Takaful/Insurance Proceeds received from any insurer shall be for the Wakeel’s sole account.

The Master Wakala Agreement is governed by, and shall be construed in accordance with, English law.

“**Additional Distribution Period**” has the meaning given to it in the Purchase Undertaking.

“**Commodities**” has the meaning given to it in the Master Murabaha Agreement.

“**Customer**” means any person (other than the Trustee, Axiata or an Authorised Entity) who purchases the Airtime Vouchers or the Airtime Minutes which the Airtime Vouchers represent.

“**Deferred Payment Price**” has the meaning given to it in the Master Murabaha Agreement.

“**Dissolution Date**” has the meaning given to it in the Conditions.

“**Distribution Notice**” means, in relation to a particular Series, any notice substantially in the form set out at schedule 1 (*Form of Distribution Notice*) of the Master Wakala Agreement and delivered by or on behalf of the Trustee to the Wakeel in accordance with the terms of the Master Wakala Agreement.

“**Murabaha Contract**” has the meaning given to it in the Master Murabaha Agreement.

“**Murabaha Indemnity Amount**” has the meaning given to it in the Master Murabaha Agreement.

“**Notice of Request to Purchase**” has the meaning given to it in the Master Murabaha Agreement.

“**Original Shares**” means, in relation to a particular Series, shares sold pursuant to the Supplemental Share Purchase Agreement relating to such Series.

“**Outstanding Amount**” means, in relation to a particular Series and at any given time, the aggregate face amount of the relevant Sukuk outstanding at that time.

“**Revocation Date**” means, in relation to a Revocation Event, the earlier of the date that (A) the Trustee is notified and (B) the Trustee becomes aware that a provider of Airtime Vouchers for a particular Series has ceased to be an Authorised Entity.

“**Revocation Event**” means, in respect of a Series, an event or circumstance where (i) such Series comprises Airtime Vouchers but does not also comprise Lease Assets at that time (ii) the Revocation Date has occurred and (iii) Axiata is unable within 45 days of the Revocation Date to lease new assets to the Trustee pursuant to a Supplemental Headlease Agreement or (in its capacity as Wakeel) obtain Airtime Vouchers pursuant to a Supplemental Airtime Purchase Agreement, in each case for an amount at least equal to the aggregate amount of Airtime Vouchers owned by the Trustee but unsold as at the Revocation Date.

“**Share Value**” means, in relation to a Series, on any date, the purchase price set out in the relevant Supplemental Share Purchase Agreement.

“**Specified Currency**” means, in relation to a particular Series, the currency in which such Series is denominated.

“**Supplementary Rental**” has the meaning given to it in the Master Sub-Lease Agreement.

“**Takaful/Insurance Coverage Amount**” means, at any time and in relation to a particular Series, an amount equal to:

- (a) the aggregate of:
 - (i) the Outstanding Amount;
 - (ii) without duplication or double counting, an amount equal to any Wakala Services Charge Amount outstanding under the terms of the Master Wakala Agreement; and
 - (iii) an amount equal to the Rental payable by Axiata as lessee under the relevant Supplemental Sub-Lease Agreement for the subsequent 50 day period,

less

- (b) an amount equal to the aggregate of:
 - (i) the Share Value (if applicable to that Series);
 - (ii) the aggregate Voucher Cost Price of Airtime Vouchers owned by the Trustee but unsold by the Wakeel (if applicable to that Series);

(iii) only one of the following (as applicable):

- (A) the outstanding Deferred Payment Price where a Murabaha Contract has been concluded pursuant to the Master Murabaha Agreement; or
- (B) the outstanding Murabaha Indemnity Amount (after any reduction pursuant to the Master Murabaha Agreement), where a Murabaha Contract has not been concluded pursuant to the Master Murabaha Agreement but the Wakeel has complied with its obligations to purchase commodities in accordance with the terms of the Master Murabaha Agreement; or
- (C) the outstanding Wakala Indemnity Amount (after any reduction pursuant to the Master Wakala Agreement), where the Wakeel has failed to comply with its obligations to purchase commodities in accordance with the terms of the Master Wakala Agreement.

“Takaful/Insurance Proceeds” means the proceeds of a claim under the Takaful/Insurances, excluding any third party liability insurance proceeds or any environmental liability insurance proceeds.

“Takaful/Insurances” has the meaning given to it in the Master Wakala Agreement.

“Voucher Cost Price” has the meaning given to it in the Master Airtime Purchase Agreement and the relevant Supplemental Airtime Purchase Agreement.

“Voucher Percentage” means, in relation to a particular Series and at any time, the ratio (expressed as a percentage) of (i) the aggregate Value of the relevant Airtime Vouchers owned by the Trustee but unsold by the Wakeel to (ii) the aggregate Value of the Airtime Vouchers and Lease Assets at that time.

“Wakala Services” means, in relation to each Series:

- (a) where such Series comprises Lease Assets, each of the services specified in the Master Wakala Agreement relating to the Lease Assets to be provided by the Wakeel on behalf of the Trustee;
- (b) where such Series comprises Shares, each of the services relating to the Shares specified in the Master Wakala Agreement to be provided by the Wakeel on behalf of the Trustee;
- (c) where such Series comprises a Murabaha Contract, each of the services relating to the Murabaha Contracts specified in the Master Wakala Agreement to be provided by the Wakeel on behalf of the Trustee; and
- (d) where such Series comprises Airtime Vouchers, each of the services relating to the Airtime Vouchers specified in the Master Wakala Agreement to be provided by the Wakeel on behalf of the Trustee,

in each case, in accordance with the terms and conditions of the Master Wakala Agreement.

“Wakala Services Charge Amount” means, in respect of a Wakala Services Period, all payments made or costs incurred by the Wakeel in respect of the Wakala Services performed in accordance with the Master Wakala Agreement during that Wakala Services Period.

“**Wakala Services End Date**” means, in relation to a particular Series, the Dissolution Date for that Series, unless:

- (a) where that Series comprises Lease Assets, a Total Loss Termination Event occurs;
- (b) where that Series comprises Airtime Vouchers, a Revocation Event occurs; or
- (c) the Wakala Services End Date is extended in accordance with the Purchase Undertaking.

in which case it shall mean (i) in the case of (a) above, the date of the Total Loss Dissolution Date; and (ii) in the case of (b) above, the date of the Revocation Event Dissolution Date and (iii) in the case of (c) above, the later of (A) the last day of the Additional Lease Period or (B) the last day of the final Additional Distribution Period (as appropriate).

“**Wakala Services Payment Date**” means the date falling one Business Day prior to each Periodic Distribution Date and, in relation to the final Wakala Services Payment Date, the Dissolution Date.

“**Wakala Services Period**” means, in relation to a Series, the period from, and including, a Wakala Services Payment Date (or with respect to the first Wakala Service Period, from, and including, the Issue Date of the relevant Sukuk for that Series) to, but excluding, the immediately following Wakala Services Payment Date (or, with respect to the final Wakala Services Period, the Wakala Services End Date).

“**Wakala Services Term**” means, in relation to each Series, the period from beginning on the Issue Date and ending on the date on which all of the Sukuk for that Series are redeemed or repurchased and cancelled in full.

6. PURCHASE UNDERTAKING

Pursuant to a purchase undertaking (the “**Purchase Undertaking**”) dated 17 July 2012 granted by Axiata in favour of the Trustee and the Delegate, Axiata irrevocably grants to the Trustee the right, in respect of each Series, to require Axiata to purchase and accept the transfer of all of the Trustee’s interests, rights, benefits and entitlements in and to some or all of the relevant Wakala Assets at the Sukuk Exercise Price specified in the Exercise Notice:

- (a) on the Scheduled Dissolution Date of the relevant Sukuk;
- (b) at any time on or prior to a Dissolution Date other than a Scheduled Dissolution Date, a Cancellation Dissolution Date, a Total Loss Dissolution Date or a Revocation Event Dissolution Date, following the occurrence of a Dissolution Event which is continuing, and in respect of which a notice has been given by the Delegate to the Trustee that a Dissolution Request has been made in accordance with Condition 15 (*Dissolution Events*); or
- (c) upon the cancellation of all outstanding Sukuk in the relevant Series following the exercise of the Redemption Undertaking or Change of Control Undertaking, on the Cancellation Dissolution Date specified in the Exercise Notice.

Pursuant to the Purchase Undertaking, and in relation to each Series, Axiata irrevocably undertakes to automatically purchase and accept the transfer on any Surplus Date of all of the Trustee’s interests, rights, benefits and entitlements in and to all Surplus Airtime Vouchers corresponding to that Surplus Date, in consideration for the payment of the applicable Surplus Purchase Price.

Pursuant to the Purchase Undertaking, and in relation to each Series, Axiata undertakes (i) upon the occurrence of a Total Loss Termination Event to purchase and accept the transfer and conveyance on the relevant Total Loss Dissolution Date specified in the Exercise Notice of all of the Trustee's interests, rights, benefits and entitlements in and to any relevant Residual Assets at the Residual Assets Exercise Price specified in the Exercise Notice; or (ii) upon the occurrence of a Revocation Event to purchase and accept the transfer and conveyance on the relevant Revocation Event Dissolution Date specified in the Exercise Notice of all of the Trustee's interests, rights, benefits and entitlements in and to any relevant Residual Assets at the Residual Assets Exercise Price specified in the Exercise Notice.

In order to exercise these rights, the Trustee (or the Delegate as applicable, on its behalf) is required to deliver an Exercise Notice to Axiata under, and in accordance with the terms of, the Purchase Undertaking.

On a Dissolution Date:

- (a) an amount equal to the Wakala Services Charge Amount to be paid by Axiata as part of any Sukuk Exercise Price or Residual Assets Exercise Price and any Wakala Services Charge Amount to be paid by the Trustee in accordance with the Master Wakala Agreement which has not been paid at such time by way of payment of "**Supplementary Rental**" (as defined in the Lease Agreement) under the Lease Agreement or the "**Minimum Sale Price**" (as defined in the Master Wakala Agreement) under the Master Wakala Agreement shall be set off against one another; and
- (b) a proportion of the amount equal to the outstanding Cancellation Amounts (if any) to be paid by Axiata as part of any Sukuk Exercise Price or Residual Assets Exercise Price (as applicable) and any outstanding Cancellation Amounts to be paid by the Trustee to Axiata in relation to the exercise of the Redemption Undertaking that will not be set off against:
 - (i) the Deferred Payment Price pursuant to, and in accordance with, the Master Murabaha Agreement; or
 - (ii) any Takaful/Insurance Proceeds and Total Loss Shortfall Amount pursuant to, and in accordance with, the Master Wakala Agreement,

shall be set off against one another.

Axiata agrees in the Purchase Undertaking that, except for the set off of any outstanding Wakala Services Charge Amount or Cancellation Amounts, all payments by it under the Purchase Undertaking will be made in the Specified Currency without deduction or withholding for or on account of Tax unless required by law and without set-off or counterclaim of any kind and, in the event that there is any such deduction or withholding required by law, Axiata shall pay all additional amounts as will result in the receipt by the Trustee, the Delegate and each other "**Compensated Person**" (as defined in the Purchase Undertaking) of such net amounts as would have been received by it if no such withholding or deduction had been made.

Subject to the payment of the Sukuk Exercise Price, Residual Assets Exercise Price or Surplus Purchase Price, as applicable, in accordance with the Purchase Undertaking and, as applicable, the outstanding Deferred Payment Price, Murabaha Indemnity Amount or Wakala Indemnity Amount in accordance with the terms of the Master Murabaha Agreement or, as the case may be, the Master Wakala Agreement, the Trustee and Axiata will enter into a sale agreement (the "**Purchase Undertaking Sale Agreement**") in substantially the form scheduled to the Purchase Undertaking to effect the sale and transfer of all of the Trustee's interest, rights, benefits and entitlements in and to the relevant Wakala Assets, Residual Assets and/or, as applicable, the Surplus Airtime Vouchers to Axiata.

If, following receipt of an Exercise Notice pursuant to the Purchase Undertaking, Axiata fails to pay all or part of any Sukuk Exercise Price on its Sukuk Due Date or, as applicable, any outstanding Deferred Payment Price, Murabaha Indemnity Amount or Wakala Indemnity Amount when due in accordance with the Master Murabaha Agreement or, as the case may be, the Master Wakala Agreement (after taking into consideration any set off of any outstanding Wakala Services Charge Amount and/or Cancellation Amounts, the aggregate amounts not being paid being the “**Outstanding Price**”):

- (a) where Lease Assets form part of the Wakala Assets, Axiata shall irrevocably, unconditionally and automatically (without the necessity for any notice or any other action) continue to lease the Lease Assets from the Trustee (as Lessor) and continue to act as Wakeel in respect of the Lease Assets with effect from and including the Sukuk Due Date on the terms and conditions, *mutatis mutandis*, of the Lease Agreement and the Master Wakala Agreement, save that Rental shall accrue on a daily basis in respect of the period from, and including, the Sukuk Due Date to, but excluding, the date on which the sale and purchase in respect of the Trustee’s interests, rights, benefits and entitlements in and to the relevant Wakala Assets occurs (including the payment in full of the Outstanding Price and all other accrued amounts by Axiata); and
- (b) where Airtime Vouchers form part of the Wakala Assets, Axiata shall irrevocably, unconditionally and automatically (without the necessity for any notice or any other action) continue to act as Wakeel in respect of the unsold Airtime Vouchers with effect from and including the Sukuk Due Date and the Distribution Term as specified in the relevant Supplemental Distribution Notice shall be deemed to be extended for successive periods having the same length as the original Distribution Periods (and each such period shall constitute an “**Additional Distribution Period**”) during the period from, and including, the Sukuk Due Date to, but excluding, the date on which the sale and purchase in respect of the Trustee’s interests, rights, benefits and entitlements in and to the relevant Wakala Assets occurs (including the payment in full of the Outstanding Price and all other accrued amounts by Axiata) or there are no more Airtime Vouchers remaining for distribution and sale.

If, following the receipt of an Exercise Notice pursuant to the Purchase Undertaking, Axiata fails to pay all or part of any Residual Assets Exercise Price on the Residual Assets Due Date or, as applicable, any outstanding Deferred Payment Price or Murabaha Indemnity Amount in accordance with the terms of the Master Murabaha Agreement or the Master Wakala Indemnity Amount in accordance with the terms of the Master Wakala Agreement, (after taking into consideration any set off of any outstanding Wakala Services Charge Amount and/or Cancellation Amounts):

- (a) where Airtime Vouchers form part of the Residual Assets, Axiata shall irrevocably, unconditionally and automatically (without the necessity for any notice or any other action) continue to act as Wakeel in respect of the unsold Airtime Vouchers with effect from and including the Residual Assets Due Date to, but excluding, the earlier of:
 - (i) the date on which the sale and purchase in respect of the Trustee’s interests, rights, benefits and entitlements in and to the relevant Wakala Assets occurs (including the payment in full of the Outstanding Price and all other accrued amounts by Axiata); and
 - (ii) the date upon which there are no more Airtime Vouchers remaining for distribution and sale; and

- (b) where Lease Assets form part of the Residual Assets, Axiata shall irrevocably, unconditionally and automatically (without the necessity for any notice or any other action) continue to lease the Lease Assets from the Trustee (as Lessor) and continue to act as Wakeel in respect of the Lease Assets with effect from and including the Residual Assets Due Date on the terms and conditions, *mutatis mutandis*, of the Lease Agreement and the Master Wakala Agreement, save that Rental shall accrue on a daily basis in respect of the period from, and including, the Residual Assets Due Date to, but excluding, the date on which the sale and purchase in respect of the Trustee's interests, rights, benefits and entitlements in and to the relevant Residual Assets occurs (including the payment in full of the Outstanding Price and all other accrued amounts by Axiata).

Axiata has agreed that certain events or circumstances shall constitute Axiata Events under the Purchase Undertaking. For a full list of the Axiata Events, please see Condition 15 (*Dissolution Events*).

The Sukukholders will also have the benefit of a negative pledge given by Axiata in the Purchase Undertaking, the full details of which are set out in Condition 5(a) (*Negative Pledge*).

The Purchase Undertaking is governed by, and shall be construed in accordance with, English law.

“Cancellation Amount” or **“Cancellation Amounts”** has the meaning given to it in the Redemption Undertaking.

“Cancellation Dissolution Date” means, in relation to each Series, the date on which all of the Sukuk are cancelled and redeemed in accordance with the provisions of Condition 14 (*Purchase and Cancellation of Sukuk*).

“Collection Account” has the meaning given to it in the Master Wakala Agreement.

“Deferred Payment Price” has the meaning given to it in the Master Murabaha Agreement.

“Dissolution Event” has the meaning given to it in Condition 15 (*Dissolution Events*).

“Dissolution Request” has the meaning given to it in Condition 15 (*Dissolution Events*).

“Distribution Notice” has the meaning given to it in the Master Wakala Agreement.

“Distribution Period” has the meaning given to it in the Master Wakala Agreement.

“Distribution Profit” has the meaning given to it in the Master Wakala Agreement.

“Exercise Notice” means a notice substantially in the form set out in schedule 1 (*Form of Exercise Notice*) of the Purchase Undertaking.

“Minimum Sale Price” has the meaning given to it in the Master Wakala Agreement.

“Payment Date” means, in relation to a particular Series, the Business Day prior to each Periodic Distribution Date and, if applicable, the Business Day immediately following the expiry of each Additional Distribution Period.

“Potential Axiata Event” means any condition, event or act which, with the giving of notice, lapse of time, declaration, demand, determination or fulfilment of any other applicable condition (or any combination of the foregoing), would constitute an Axiata Event.

“Residual Assets” means, in relation to any Series:

- (a) where such Series comprises Airtime Vouchers and Lease Assets at such time:
 - (i) following the occurrence of a Revocation Event the unsold Airtime Vouchers and the remaining Lease Assets; or
 - (ii) following the occurrence of a Total Loss Termination Event but where no prior Revocation Event has occurred, the unsold Airtime Vouchers at such time; or
- (b) where, at such time, such Series comprises Airtime Vouchers but not Lease Assets, following the occurrence of a Revocation Event, the unsold Airtime Vouchers,

provided always that where a Series comprises Shares, “Residual Assets” shall also include such Shares.

“Residual Assets Due Date” has the meaning given to it in the Purchase Undertaking.

“Residual Assets Exercise Price” means, at any time, and in relation to a Series, an amount equal to the aggregate of:

- (a) the outstanding face amount of the Sukuk for that Series;
- (b) to the extent such Series originally comprised Lease Assets, all accrued but unpaid Rental (or part thereof) relating to the Lease Assets (if any), to the extent not received by the Trustee in its capacity as Lessor under the relevant Supplemental Sub-Lease Agreement;
- (c) without duplication or double counting, an amount equal to any accrued but unpaid Wakala Services Charge Amount; and
- (d) to the extent such Series originally comprised Airtime Vouchers, all accrued but unpaid Distribution Profit (or part thereof) relating to the Airtime Vouchers (if any), to the extent not received by the Trustee under the Master Wakala Agreement,

less

- (e) an amount equal to only one of the following (as applicable):
 - (i) the outstanding Deferred Payment Price (after any reduction pursuant to the Master Murabaha Agreement) due under the Master Murabaha Agreement, where a Murabaha Contract has been concluded for that Series pursuant to the Master Murabaha Agreement; or
 - (ii) the outstanding Murabaha Indemnity Amount (after any reduction pursuant to the Master Murabaha Agreement) due under the Master Murabaha Agreement, where a Murabaha Contract has not been concluded pursuant to the Master Murabaha Agreement for that Series but the Wakeel has complied with its obligations contained in the Master Wakala Agreement; or
 - (iii) the outstanding Wakala Indemnity Amount (after any reduction pursuant to the Master Wakala Agreement) due under the Master Wakala Agreement, where the Wakeel has failed to comply with its obligations in the Master Wakala Agreement; and
- (f) to the extent such Series originally comprised Lease Assets and an Exercise Notice has been served immediately following a Total Loss Termination Event, the Takaful/Insurance Coverage Amount for that Series,

which price Axiata, the Trustee and the Delegate acknowledge shall be the price for the remaining Wakala Assets following the occurrence of a Revocation Event and/or a Total Loss Termination Event (as applicable).

“**Scheduled Dissolution Date**” has the meaning given to it in the Conditions.

“**Specified Currency**” means in relation to each Series, the currency in which such Series is denominated.

“**Sukuk Due Date**” has the meaning given to it in the Purchase Undertaking.

“**Sukuk Exercise Price**” means, in relation to each Series and at any time, an amount equal to the aggregate of:

- (a) the outstanding face amount of the Sukuk for that Series;
- (b) to the extent such Series comprised Lease Assets, all accrued but unpaid Rental (or part thereof) relating to the Lease Assets (if any), to the extent not received by the Trustee in its capacity as Lessor under the Supplemental Sub-Lease Agreement;
- (c) to the extent such Series comprised Airtime Vouchers, all accrued but unpaid Distribution Profit (or part thereof) relating to the Airtime Vouchers (if any), to the extent not received by the Trustee under the Master Wakala Agreement;
- (d) without duplication or double counting, an amount equal to any accrued but unpaid Wakala Services Charge Amount;
- (e) an amount equal to any outstanding Cancellation Amounts payable in relation to the exercise of the Redemption Undertaking (to the extent not already set off pursuant to the Transaction Documents); and
- (f) without duplication or double-counting, an amount representing any prior ranking claims (as described in items (i) and (ii) of Condition 6(d) (*Trust — Application of Proceeds from Trust Assets*)) in accordance with Condition 6(d) (*Trust — Application of Proceeds from Trust Assets*);

less

- (g) to the extent such Series comprises a Murabaha Contract, an amount equal to only one of the following (as applicable):
 - (i) the outstanding Deferred Payment Price (after any reduction pursuant to the Master Murabaha Agreement) due under the Master Murabaha Agreement, where a Murabaha Contract has been concluded for that Series pursuant to the Master Murabaha Agreement; or
 - (ii) the outstanding Murabaha Indemnity Amount (after any reduction pursuant to the Master Murabaha Agreement) due under the Master Murabaha Agreement, where a Murabaha Contract has not been concluded for that Series pursuant to the Master Murabaha Agreement but the Wakeel has complied with its obligations contained in the Master Wakala Agreement; or
 - (iii) the outstanding Wakala Indemnity Amount (after any reduction pursuant to the Master Wakala Agreement) due under the Master Wakala Agreement, where the Wakeel has failed to comply with its obligations in the Master Wakala Agreement.

“**Surplus Airtime Vouchers**” has the meaning given to it in the Master Wakala Agreement.

“**Surplus Date**” means, in relation to each Series comprising Airtime Vouchers and the relevant Surplus Airtime Vouchers, the Business Day prior to the Payment Date for the Distribution Period during which those Surplus Airtime Vouchers should have been distributed and sold pursuant to the Master Wakala Agreement and the relevant Distribution Notice.

“**Surplus Purchase Price**” means, in relation to each Series comprising Airtime Vouchers, and the relevant Surplus Date, an amount equal to:

- (a) the number of Surplus Airtime Vouchers; multiplied by
- (b) the Minimum Sale Price at which those Surplus Airtime Vouchers should have been sold.

“**Total Loss Dissolution Date**” means, in relation to each Series, the date on which the Sukuk are redeemed in accordance with the provisions of Condition 11(e) (*Capital Distributions of the Trust — Dissolution following a Total Loss Event*).

“**Wakala Assets**” means, in relation to each Series, the Head Lease Interest, the Airtime Vouchers owned by the Trustee but unsold, and the Shares (as applicable).

7. SALE UNDERTAKING

Pursuant to a sale undertaking (the “**Sale Undertaking**”) dated 17 July 2012 granted by the Trustee in favour of Axiata, the Trustee irrevocably grants to Axiata the right, in relation to each Series, to require the Trustee to sell and transfer the transfer the Trustee’s interests, rights, benefits and entitlements in and to the relevant Wakala Assets at the Sukuk Exercise Price. The right may only be exercised by Axiata following the occurrence of a Tax Event or the exercise of an Optional Dissolution Right and subject to no Axiata Event or Potential Axiata Event having occurred and being continuing and the Trustee (or the Delegate and/or Principal Paying Agent on its behalf) not having previously delivered a Purchase Undertaking Exercise Notice.

In order to exercise these rights, Axiata is required to deliver an Exercise Notice to the Trustee (with a copy to the Principal Paying Agent and the Delegate) under, and in accordance with the terms of, the Sale Undertaking.

On a Dissolution Date, an amount equal to the Wakala Services Charge Amount to be paid by Axiata as part of any Sukuk Exercise Price under the Sale Undertaking and any Wakala Services Charge Amount to be paid by the Trustee under the Master Wakala Agreement which has not been paid by way of payment of Supplementary Rental under the Lease Agreement or the Minimum Sale Price under the Master Wakala Agreement shall be set off against one another.

Subject to the payment of the relevant Sukuk Exercise Price on the relevant Dissolution Due Date in accordance with the Sale Undertaking, the Trustee and Axiata will enter into a sale agreement (the “**Sale Undertaking Sale Agreement**”) in substantially the form scheduled to the Sale Undertaking to effect the sale and transfer of all of the Trustee’s interests, rights, benefits and entitlements in and to the relevant Wakala Assets to Axiata.

Axiata has agreed that an Exercise Notice delivered in accordance with the Sale Undertaking will cease to have any effect following the occurrence of an Axiata Event or from, and including, the date on which Axiata fails to settle the Sukuk Exercise Price in full in accordance with the terms of the Sale Undertaking.

The Sale Undertaking is governed by, and shall be construed in accordance with, English law.

“**Axiata Event**” has the meaning given to it in the relevant Purchase Undertaking.

“**Exercise Notice**” means a notice substantially in the form set out in schedule 1 (*Form of Exercise Notice*) of the Sale Undertaking.

“**Optional Dissolution Right**” has the meaning given to it in Condition 11(c) (*Capital Distributions of the Trust — Dissolution at the Option of Axiata*).

“**Principal Paying Agent**” means The Hongkong and Shanghai Banking Corporation Limited.

“**Tax Event**” has the meaning given to it in Condition 11(b) (*Capital Distributions of the Trust — Early Dissolution for Tax Reasons*).

8. SUBSTITUTION UNDERTAKING

Pursuant to a substitution undertaking (the “**Substitution Undertaking**”) dated 17 July 2012 granted by the Trustee in favour of Axiata, the Trustee irrevocably undertakes to grant to Axiata the right, in relation to each Series, to require the Trustee to sell, transfer and convey its interests, rights, benefits and entitlements in and to the Lease Assets or any part thereof (the “**Substituted Lease Assets**”), or the Airtime Vouchers or any part thereof (the “**Substituted Airtime Vouchers**”), to Axiata, **provided that** there has been no Total Loss Event in relation to the relevant Lease Assets or no Revocation Event in relation to the relevant Airtime Vouchers. In consideration for the sale, transfer and conveyance of the Substituted Lease Assets or Substituted Airtime Vouchers (as applicable) by the Trustee to Axiata, Axiata will transfer and convey certain new lease assets (the “**New Lease Assets**”) or certain new airtime vouchers (the “**New Airtime Vouchers**”) to the Trustee.

Axiata will be obliged to certify that the New Lease Assets or New Airtime Vouchers, as applicable, are assets capable of being leased or sold (as applicable) and of a value equal to or greater than the value of the Substituted Lease Assets or Substituted Airtime Vouchers (as applicable).

In order to exercise these rights, Axiata is required to deliver a Substitution Notice to the Trustee under, and in accordance with the terms of, the Substitution Undertaking.

The substitution of the New Lease Assets or New Airtime Vouchers for the Substituted Lease Assets or Substituted Airtime Vouchers (as applicable) will become effective on the Substitution Date (as specified in the Substitution Notice to be delivered by Axiata in accordance with the Substitution Undertaking) by the Trustee and Axiata entering into a sale agreement (the “**Substitution Undertaking Sale Agreement**”) in substantially the form scheduled to the Substitution Undertaking.

The Substitution Undertaking and Substitution Undertaking Sale Agreements are governed by, and shall be construed in accordance with, English law.

“**Substituted Airtime Vouchers**” means the Airtime Vouchers specified as such in a Substitution Notice to the extent that on the Substitution Date they constitute Airtime Vouchers belonging to the Trustee.

“**Substituted Lease Assets**” means the assets specified as such in a Substitution Notice to the extent that on the Substitution Date they constitute Lease Assets belonging to the Trustee.

“**Substitution Notice**” means a notice substantially in the form set out in schedule 1 (*Form of Substitution Notice*) of the Substitution Undertaking.

9. CHANGE OF CONTROL UNDERTAKING

Pursuant to a change of control undertaking (the “**Change of Control Undertaking**”) dated 17 July 2012 granted by Axiata in favour of the Trustee and the Delegate, Axiata irrevocably undertakes to, in respect of each Series and on a Change of Control Triggering Event and provided a Change of Control Confirmation Notice has been served on the Trustee by the Registrar, a Transfer Agent or a Paying Agent, purchase certain certificates specified in the Change of Control Purchase Notice (the “**Change of Control Sukuk**”) from the relevant Sukukholders in consideration for the payment of the Change of Control Amount.

The rights granted by Axiata pursuant to the Change of Control Undertaking shall be exercised by the Trustee (or a Paying Agent on its behalf) serving a Change of Control Purchase Notice upon Axiata specifying the Change of Control Amount and the Change of Control Sukuk.

Following the exercise of this right, Axiata shall, on the seventh day after the last day of the Change of Control Exercise Period, purchase the Change of Control Sukuk from the relevant Sukukholders in consideration for the payment by wire transfer in the Specified Currency and in same day, freely transferable, cleared funds, of the Change of Control Amount.

The exercise of the right granted by Axiata pursuant to the Change of Control Undertaking is subject to Axiata not having previously: (i) received an Exercise Notice under, and as defined in, the Purchase Undertaking; or (ii) delivered an Exercise Notice under, and as defined in, the Sale Undertaking, in each case, in relation to that Series.

Axiata has given certain representations and warranties in the Change of Control Undertaking and has undertaken to notify the Trustee and the Delegate of the occurrence of a Change of Control Triggering Event (and provide details in respect thereof) promptly upon becoming aware of its occurrence.

The Change of Control Undertaking and Change of Control Purchase Notice are governed by, and shall be construed in accordance with, English law.

“**Change of Control Amount**” means, in relation to a particular Series, the aggregate face amount of the Change of Control Sukuk to be redeemed plus any due but unpaid Periodic Distribution Amounts under such Change of Control Sukuk.

“**Change of Control Exercise Period**” has the meaning given to it in the Conditions.

“**Change of Control Purchase Notice**” means a notice in the form of, or substantially in the form of schedule 1 (*Form of Change of Control Purchase Notice*) of the Change of Control Undertaking.

“**Change of Control Triggering Event**” has the meaning given to it in the Conditions.

10. REDEMPTION UNDERTAKING

Pursuant to a redemption undertaking (the “**Redemption Undertaking**”) dated 17 July 2012 granted by the Trustee in favour of Axiata, the Trustee irrevocably grants to Axiata the right, in relation to each Series, to require the Trustee to purchase from Axiata the relevant Change of Control Sukuk or Cancellation Sukuk (as the case may be) held by Axiata (the “**Axiata Sukuk**”) in consideration for the cancellation of the Axiata Sukuk and payment of the applicable Cancellation Amount to Axiata.

In order to exercise this right, Axiata is required to deliver a Cancellation Notice to the Trustee under, and in accordance with the terms of, the Redemption Undertaking, specifying the relevant Axiata Sukuk to be transferred to the Trustee, the Change of Control Redemption Date or Cancellation Date (as applicable), which must also be a Periodic Distribution Date and the relevant Cancellation Amount.

Pursuant to the Redemption Undertaking, Axiata and the Trustee agree and acknowledge as follows:

- (a) payment of the relevant Cancellation Amounts by the Trustee shall be deferred until the Dissolution Date;
- (b) the relevant Cancellation Amount payable in connection with the purchase of the Change of Control Sukuk or Cancellation Sukuk (as applicable) represents fair and valuable consideration for the purchase from Axiata of its interest, rights, benefits and entitlements in, to and under such Change of Control Sukuk or Cancellation Sukuk (as applicable); and
- (c) the Trustee may set-off any amount that is due and payable to it by Axiata under the Master Wakala Agreement, the Master Murabaha Agreement and/or the Purchase Undertaking against any payment obligation of the Trustee to Axiata pursuant to the Redemption Undertaking, regardless of the place of payment or currency of either obligation, **provided always that** any amounts to be set-off under the Redemption Undertaking shall first be applied against amounts outstanding under the Master Murabaha Agreement.

The Redemption Undertaking and Cancellation Notice are governed by, and shall be construed in accordance with, English law.

“**Cancellation Amount**” means, in relation to a particular Series, an amount to be paid by the Trustee to Axiata no later than the relevant Dissolution Date for the purchase of any Change of Control Sukuk or Cancellation Sukuk (as the case may be) from time to time pursuant to an exercise of the Redemption Undertaking, and as specified in the Cancellation Notice, which is equal to the aggregate face amount of the relevant Sukuk plus any due but unpaid Periodic Distribution Amounts under such Sukuk.

“**Cancellation Date**” means the date specified as such in a Cancellation Notice.

“**Cancellation Notice**” means a notice substantially in the form set out in schedule 1 (*Form of Cancellation Notice*) of the Redemption Undertaking.

11. MASTER MURABAHA AGREEMENT

Pursuant to a murabaha agreement (the “**Master Murabaha Agreement**”) dated 17 July 2012 between the Trustee as the seller of Commodities (the “**Seller**”) and Axiata as the purchaser of Commodities (the “**Purchaser**”), the Purchaser may request the Seller, either itself or through the Wakeel and/or the Transaction Agent, to purchase Commodities no later than the Issue Date of the relevant Series, for an amount set out in the relevant Notice of Request to Purchase (which shall be no greater than 48 per cent. of the aggregate proceeds of issuance for that Series) (the “**Purchase Price**”) and irrevocably and unconditionally undertakes to purchase such Commodities from the Seller (or the Transaction Agent and the Wakeel acting in their capacities as agents or sub-agents, as the case may be, of the Seller) once they have been acquired by the Seller for a deferred payment price equal to the amount set out in the relevant Offer Notice (the “**Deferred Payment Price**”).

The Seller (or the Transaction Agent and/or the Wakeel acting in their capacities as agents or sub-agents, as the case may be, of the Seller) will purchase Commodities from certain suppliers admitted as participants of the Market on immediate delivery and immediate payment terms and will immediately on-sell such Commodities to the Purchaser for the Deferred Payment Price on immediate delivery terms but with payment on a deferred basis such that the outstanding Deferred Payment Price will be immediately due and payable on the Business Day prior to the relevant Dissolution Date.

The Purchaser irrevocably and unconditionally undertakes to pay to the Seller, on the Business Day prior to the Dissolution Date of the relevant Series, an amount equal to the outstanding Deferred Payment Price by crediting such amount to the Transaction Account on the Dissolution Date. **Provided that** the Purchaser has concluded a Murabaha Contract with the Seller in accordance with the Master Murabaha Agreement, the amount of the Deferred Payment Price to be paid by the Purchaser to the Seller shall be set off to the fullest extent possible against any outstanding Cancellation Amounts to be paid by the Seller (in its capacity as Trustee) to the Purchaser pursuant to the exercise of the Redemption Undertaking.

In the event that the Purchaser fails to comply with its undertaking to purchase such Commodities from the Seller for the Deferred Payment Price, the Purchaser acknowledges that the Seller will have incurred losses in an amount equal to the Purchase Price (the “**Murabaha Indemnity Amount**”) and undertakes to indemnify the Seller, on a Dissolution Date, for an amount equal to the outstanding Murabaha Indemnity Amount. The amount equal to the Murabaha Indemnity Amount to be paid by the Purchaser to the Seller shall be set off to the fullest extent possible against any outstanding Cancellation Amounts to be paid by the Seller to the Purchaser in relation to the exercise of the Redemption Undertaking.

Provided that no further Murabaha Indemnity Amount is due from the Purchaser to the Seller following a claim under the indemnity, the Seller shall:

- (a) to the extent that it continues to have ownership of the relevant Commodities, transfer such ownership to the Purchaser; or
- (b) to the extent that it has sold the Commodities to a third party, give to the Purchaser any proceeds of such sale in excess of the Murabaha Indemnity Amount paid by the Purchaser to the Seller.

The Master Murabaha Agreement is governed by, and shall be construed in accordance with, English law.

“**BCH System**” means the Bursa Commodity House System, established, owned and operated by BMIS which provides the automated and computerised electronic trading system to carry out trades on the Market.

“**BMIS**” means Bursa Malaysia Islamic Services Sdn Bhd (formerly known as BMIS Sdn Bhd) (Company No. 853675-M), a company established under the Malaysian Companies Act 1965, which operates the BCH System, and includes its successors in title, assigns and such other entities into which it is merged or amalgamated or to which its business or undertaking are transferred from time to time.

“**Commodities**” means any *Shari’a* compliant commodities that are traded on the Market (excluding, for the avoidance of doubt, gold and silver).

“**Market**” means the commodity market operated by BMIS for the trading of commodities.

“**Notice of Request to Purchase**” means a notice from the Purchaser to the Seller requesting that the Seller purchase Commodities.

“**Offer Notice**” means a confirmation from the Seller to the Purchaser that the Seller has purchased Commodities as requested by the Purchaser and is offering to sell such Commodities to the Purchaser.

“**Transaction Agent**” means HSBC Amanah Malaysia Berhad (Company No. 807705-X), a commodity trading participant registered with BMIS or such other agent appointed from time to time pursuant to the Transaction Agency Agreement.

12. TRANSACTION AGENCY AGREEMENT

Pursuant to a transaction agency agreement (the “**Transaction Agency Agreement**”) dated 17 July 2012 between the Wakeel, Axiata and HSBC Amanah Malaysia Berhad as the transaction agent (the “**Transaction Agent**”):

- (a) the Wakeel appoints the Transaction Agent as its agent to purchase; and
- (b) Axiata (acting in its capacity as Purchaser under the Master Murabaha Agreement) appoints the Transaction Agent as its agent to sell,

Commodities pursuant to, and in accordance with, the terms of Transaction Agency Agreement.

The Transaction Agent agrees to perform and execute all acts with respect to the purchase and sale of Commodities on behalf of the Wakeel or, as the case may be, Axiata, through purchase agreements, sale agreements, certificates and other documents and instruments as fully as the Wakeel and/or Axiata could respectively perform and to negotiate at the very best of its professional capability with the relevant suppliers and buyers of Commodities on behalf of the Wakeel and Axiata, as applicable.

The Transaction Agency Agreement is governed by, and shall be construed in accordance with, Malaysian law.

13. MASTER DECLARATION OF TRUST

Pursuant to a master declaration of trust dated 17 July 2012 as supplemented by a supplemental declaration of trust dated 23 October 2015 (together, the “**Master Declaration of Trust**”) between the Trustee, Axiata and the Delegate, as supplemented, in respect of each Series, by a supplemental declaration of trust (each a “**Supplemental Declaration of Trust**” and, together with the Master Declaration of Trust and in respect of such Series only, the “**Declaration of Trust**”), the Trustee agrees to hold the Trust Assets upon trust absolutely for the Sukukholders of each such Series as beneficiaries in respect of that Series only, in accordance with the provisions of the relevant Declaration of Trust.

The Sukuk of each Series will be constituted by a separate trust and will form a separate Series. The proceeds of issuance of each Series of the Sukuk will be settled upon the trust created by the Declaration of Trust (the “**Trust**”) to be applied as authorised and directed by the Sukukholders in the Conditions.

Pursuant to the Declaration of Trust, the Trustee will, *inter alia*:

- (a) hold the Trust Assets upon trust absolutely for the Sukukholders as beneficiaries *pro rata* according to the face amount of Sukuk held by each Sukukholder for the relevant Series;
- (b) act as trustee in respect of the Trust Assets, distribute the income from the Trust Assets and perform its duties in accordance with the provisions of the Declaration of Trust; and
- (c) irrevocably and unconditionally appoint the Delegate to be its attorney.

The Delegate shall, on behalf of the Trustee, exercise all of the present and future duties, powers (including the power to sub-delegate), trusts, authorities (including, but not limited to, the authority to request directions from any Sukukholders and the power to make any determinations to be made under the Transaction Documents) and discretions vested in the Trustee by the Declaration of Trust that the Delegate may consider necessary or desirable in order, upon the occurrence of a Dissolution Event or a Potential Dissolution Event (subject to it being indemnified and/or secured and/or prefunded to its satisfaction), to exercise all of the rights (but not the obligations, duties, Liabilities or covenants) of the Trustee under the Transaction Documents, and make such distributions from the relevant Trust Assets as the Trustee is bound to make in accordance with the Declaration of Trust. The appointment of the Delegate is intended to be in the interests of the Sukukholders and does not affect the Trustee's continuing role and obligations as sole trustee.

Certain powers under the Declaration of Trust have been vested in the Delegate, including, *inter alia*, the power to (i) waive or authorise a breach or proposed breach of any provision of the Transaction Documents or (ii) determine that a Dissolution Event or Potential Dissolution Event shall not be treated as such **provided that** (A) in the opinion of the Delegate, such waiver, authorisation or determination is not materially prejudicial to the interests of the outstanding Sukukholders (of the applicable Series) and (B) the Delegate will not do so in contravention of an express direction given by an Extraordinary Resolution or a request made pursuant to Condition 15 (*Dissolution Events*). The Delegate is also able to consent to certain types of amendments to the Transaction Documents or the memorandum and articles of association of the Trustee.

Following the ultimate distribution of the net proceeds of the relevant Trust Assets in respect of the Sukuk to the Sukukholders in accordance with the Conditions and the Declaration of Trust, neither the Trustee nor the Delegate shall be liable for any further sums and, accordingly, the Sukukholders may not take any action against the Trustee, the Delegate, the Agents or any other person (including Axiata) to recover any such sum or asset in respect of the relevant Sukuk or the Trust Assets and the right to receive any such sums unpaid shall be extinguished. In particular, no Sukukholder shall not be entitled in respect thereof to petition or to take any other steps for the winding up of the Trustee.

Subject to the preceding paragraph, no Sukukholder shall not be entitled to proceed directly against or provide instructions to the Delegate to proceed against, the Trustee or Axiata under any Transaction Document to which either of them is a party unless:

- (a) the Delegate fails to do so within a reasonable period of becoming so bound and such failure is continuing; and
- (b) the relevant Sukukholder (or such Sukukholder together with the other Sukukholders who propose to proceed directly against any of the Trustee or Axiata as the case may be) holds at least 20 per cent. of the then outstanding aggregate face amount of the Sukuk pertaining to the relevant Series.

Under no circumstances shall the Delegate or any Sukukholder have any right to cause the sale or other disposition of any of the relevant Trust Assets to any party other than in accordance with the Transaction Documents. The sole right of the Delegate and the Sukukholders against the Trustee and Axiata shall be to enforce their respective obligations under the Transaction Documents.

In the Declaration of Trust, Axiata agrees, on demand, to indemnify, reimburse, compensate and hold harmless the Delegate and its directors, officers, employees, agents, delegates, controlling persons and any Receiver against all properly incurred Liabilities (including, but not limited to, all costs, charges and expenses paid or incurred in disputing or defending any of the foregoing) which any of them may incur or which may be made against any of them as a result of or in

connection with the appointment of or the exercise or attempted exercise of the powers and duties by the Delegate or any Receiver under the Declaration of Trust or any other Transaction Document except as may result from its wilful default, gross negligence, fraud or bad faith, of which its directors, officers, employees, agents, delegates, controlling persons or any receiver or any of them, as applicable, may be guilty under the Declaration of Trust.

The Delegate shall be entitled to receive additional remuneration from Axiata in respect of any duties performed which the Delegate considers to be outside the ordinary course of administration of the trust which it considers to be expedient or necessary.

The Delegate shall not be bound in any circumstances to take any action against the Trustee and/or Axiata under any Transaction Document to which either the Trustee or Axiata, as applicable, is a party unless directed or requested to do so:

- (a) by an Extraordinary Resolution; or
- (b) in writing by the holders of at least 20 per cent. of the then outstanding aggregate face amount of the Sukuk of the relevant Series,

and, in either case, then only if it is indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable and **provided that** the Delegate shall not be held liable for the consequences of exercising its discretion or taking any such action and may do so without having regard to the effect of such action on individual Sukukholders.

Following any purchase of Sukuk by or on behalf of Axiata or any of its Subsidiaries, in accordance with Condition 14(a) (*Purchase and Cancellation of Sukuk — Purchases*), Axiata may deliver a Cancellation Notice to the Trustee (copied to the Delegate) requesting the Trustee to, and following receipt thereof the Trustee shall, cancel such Sukuk in accordance with the terms of the Redemption Undertaking.

The Master Declaration of Trust and Supplemental Declarations of Trust are governed by, and shall be construed in accordance with, English law.

“**Extraordinary Resolution**” has the meaning given to it in schedule 4 (*Provisions for Meetings of Sukukholders*) of the Master Declaration of Trust.

“**Liability**” has the meaning given to it in Condition 1 (*Interpretation*).

“**Potential Dissolution Event**” means any condition, event or act which, with the giving of notice, lapse of time, declaration, demand, determination or fulfilment of any other applicable condition (or any combination of the foregoing), would constitute a Dissolution Event.

“**Receiver**” means any receiver, manager or administrative receiver or any other analogous officer appointed in respect of the Trustee by the Delegate in accordance with this Master Declaration of Trust.

“**Subsidiary**” means, in relation to Axiata, any company (i) in which Axiata controls the composition of the board of directors or (ii) of which Axiata controls more than half of the voting power or (iii) of which Axiata holds more than half of the issued share capital, and includes any company which is a Subsidiary of a Subsidiary of Axiata and a Subsidiary which falls within the meaning of Section 5 of the Companies Act, 1965 of Malaysia.

“**Sukuk Assets**” means:

- (a) any Airtime Vouchers to be purchased by the Trustee from Axiata pursuant to the Master Airtime Purchase Agreement and any relevant Supplemental Airtime Purchase Agreement;
- (b) any Shares to be purchased by the Trustee from Axiata pursuant to the Master Share Purchase Agreement and any relevant Supplemental Share Purchase Agreement;
- (c) any Lease Assets to be leased by the Trustee from Axiata pursuant to the Master Headlease Agreement and any relevant Supplemental Headlease Agreement; and/or
- (d) any Commodities to be purchased by the Trustee (or by the Wakeel on its behalf) to be sold to Axiata pursuant to the Master Murabaha Agreement).

14. AGENCY AGREEMENT

Pursuant to an agency agreement dated 17 July 2012 entered into between the Trustee, the Delegate, Axiata, the Principal Paying Agent, the Calculation Agent, the Transfer Agents and the Registrar, provision will be made for, *inter alia*, payment of all sums due in respect of the Sukuk.

The Agency Agreement is governed by, and shall be construed in accordance with, English law.

TAXATION

The discussion below is not intended to constitute a complete analysis of all tax consequences relating to ownership and disposition of Sukuk. Prospective purchasers of the Sukuk should consult their own tax advisers concerning the tax consequences relating to ownership and disposition of the Sukuk in light of their particular situations. This description is based on laws, regulations and interpretations as now in effect and available as of the date of this Offering Circular. The laws, regulations and interpretations, however, may change at any time, and any change could be retroactive to the date of issuance of the Sukuk. These laws and regulations are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Each prospective purchaser is urged to consult its own tax adviser about the tax consequences under its circumstances of purchasing, holding and selling the Sukuk under the laws of Malaysia, their political subdivisions and any other jurisdictions where the prospective purchaser may be subject to tax.

MALAYSIAN TAX

The payment of profit (including deferred profit) by the Trustee on the Sukuk to a non-Malaysian resident will not be subject to interest withholding tax in Malaysia pursuant to Section 33B of Schedule 6 of the Income Tax Act, 1967. The repayment of principal amount is also not normally subject to withholding tax unless the non-resident has made gains on the sale of the Sukuk and such gains are seen to be other income. Under Malaysian tax legislation, a company is regarded as non-resident if the management and control of its affairs are not exercised in Malaysia at any time by its directors or other controlling party. The rules relating to individuals are more complex and are generally based on the length of time spent in Malaysia.

Pursuant to Section 33B of Schedule 6 of the Income Tax Act, 1967, the payment of profit (including deferred profit) by the Trustee on the Sukuk to any person, whether Malaysian resident or non-Malaysian resident is exempt from income tax.

Malaysia has no estate, inheritance or capital gains tax in respect of the Sukuk. The issuance, disposition, redemption or transfer of the Sukuk outside Malaysia would not normally be a taxable event in Malaysia.

There is no repatriation levy under Malaysia's exchange control regulations.

EUROPEAN UNION SAVINGS TAX DIRECTIVE

Under the Savings Directive, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-European Union countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 24 March 2014, the Council of the European Union adopted the Amending Directive amending and broadening the scope of the requirements described above. The Amending Directive requires Member States to apply these new requirements from 1 January 2017, and if they were to take effect the changes would expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. They would also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported or subject to withholding. This approach would apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

However, the European Commission has proposed the repeal of the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The new regime under Council Directive 2011/16/EU (as amended) is in accordance with the Global Standard released by the Organisation for Economic Co-operation and Development in July 2014. Council Directive 2011/16/EU (as amended) is generally broader in scope than the Savings Directive, although it does not impose withholding taxes. The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

Investors who are in any doubt as to their position should consult their professional advisers.

THE PROPOSED FINANCIAL TRANSACTIONS TAX (“FTT”)

On 14 February 2013, the European Commission published a proposal (the “**Commission’s proposal**”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”).

The Commission’s proposal has very broad scope and could, if introduced, apply to certain dealings in Sukuk (including secondary’ market transactions) in certain circumstances.

Under the Commission’s proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Sukuk where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

Joint statements issued by participating Member States indicate an intention to implement the FTT by 1 January 2016.

However, the FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. Additional European Union Member States may decide to participate.

Prospective holders of Sukuk are advised to seek their own professional advice in relation to the FTT.

FATCA

Whilst the Sukuk are in global form and held within the ICSDs, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Sukuk by the Trustee, any paying agent and the Common Depositary, given that each of the entities in the payment chain beginning with the Trustee and ending with the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the securities. The documentation expressly contemplates the possibility that the securities may go into definitive form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to withholding. However, Definitive Certificates will only be printed in remote circumstances. Further, foreign financial institutions in a jurisdiction which has entered into an IGA are generally not expected to be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments they make.

SUBSCRIPTION AND SALE

Sukuk may be sold from time to time by the Trustee to any one or more of CIMB Bank (L) Limited, Deutsche Bank AG, Singapore Branch, or any other banks appointed as dealers by Axiata pursuant to the Programme Agreement (the “**Dealers**”). The arrangements under which Sukuk may from time to time be agreed to be sold by the Trustee to, and purchased by, the Dealers are set out in an amended and restated programme agreement dated 23 October 2015 (the “**Programme Agreement**”) and made between, amongst others, the Trustee, Axiata and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Sukuk, the price at which such Sukuk will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Trustee in respect of such purchase. The Programme Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Series of Sukuk.

SELLING RESTRICTIONS

United States of America

The Sukuk have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. In relation to each Series of Sukuk, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has not offered or sold, and will not offer or sell, any Sukuk constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S under the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Sukuk which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Sukuk to the public in that Relevant Member State:

- (a) if the Pricing Supplement in relation to the Sukuk specifies that an offer of those Sukuk may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Sukuk which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, **provided that** any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Trustee for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Sukuk referred to in paragraphs (b) to (d) above shall require the Trustee, Axiata or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Sukuk to the public**” in relation to any Sukuk in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Sukuk to be offered so as to enable an investor to decide to purchase or subscribe the Sukuk, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

Selling Restrictions Addressing Additional United Kingdom Securities Laws

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that:

In relation to any Sukuk having a maturity of less than one year:

- (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and:
- (ii) it has not offered or sold and will not offer or sell any Sukuk other than to persons:
 - (a) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (b) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Sukuk would otherwise constitute a contravention of Section 19 of the FSMA by the Trustee.

It has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Sukuk in circumstances in which Section 21(1) of the FSMA does not apply to the Trustee or Axiata.

It has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Sukuk in, from or otherwise involving the United Kingdom.

Selling Restrictions Addressing Additional Netherlands Securities Laws

Each Dealer, and each further Dealer appointed under the Programme who does not have the appropriate regulatory capacity as a matter of Dutch law to offer Sukuk in The Netherlands will represent and agree with the Trustee that it has neither offered nor sold and will neither offer nor sell any Sukuk in The Netherlands other than through one or more investment firms acting as principals and having the Dutch regulatory capacity to make such offers or sales.

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it will not make an offer of Sukuk which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in The Netherlands in reliance on Article 3(2) of the Prospectus Directive unless:

- (a) such offer is made exclusively to legal entities which are qualified investors (as defined in the Prospectus Directive and which includes authorised discretionary asset managers acting for the account of retail investors under a discretionary investment management contract) in The Netherlands; or

- (b) a standard exemption logo and wording is disclosed as required by article 5:20(5) of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, the “FMSA”); or
- (c) such offer is otherwise made in circumstances in which article 5:20(5) of the FMSA is not applicable,

provided that no such offer of Sukuk shall require the Trustee or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expressions (i) an “**offer of Sukuk to the public**” in relation to any Sukuk in the Netherlands; and (ii) “**Prospectus Directive**”, have the meaning given to them in the paragraph entitled “*Public Offer Selling Restriction under the Prospectus Directive*” above.

Hong Kong

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Sukuk (except for Sukuk which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) other than: (a) to “**professional investors**” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “**prospectus**” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Sukuk, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Sukuk which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Malaysia

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that:

- (a) this Offering Circular has not been registered as a prospectus with the Securities Commission Malaysia under the Capital Markets and Services Act 2007 of Malaysia; and
- (b) accordingly, the Sukuk have not been and will not be offered, sold or delivered, and no invitation to subscribe for or purchase the Sukuk has been or will be made, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia, other than to persons or in categories falling within Schedule 6 (or Section 229(1)(b)), Schedule 7 (or Section 230(1)(b)), and Schedule 8 (or Section 257(3)) of the Capital Markets and Services Act 2007 of Malaysia, subject to any law, order, regulation or official directive of the Bank Negara Malaysia, the Securities Commission Malaysia and/or any other regulatory authority from time to time.

Residents of Malaysia may be required to obtain relevant regulatory approvals including approval from the Bank Negara Malaysia to purchase the Sukuk. The onus is on the Malaysian residents concerned to obtain such regulatory approvals and none of the Dealers is responsible for any invitation, offer, sale or purchase of the Sukuk as aforesaid without the necessary approvals being in place.

Singapore

Each Dealer understands that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore, and the Sukuk will be issued pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and that it will not offer or sell any Sukuk or cause such Sukuk to be made the subject of an invitation for subscription or purchase, nor will it circulate or distribute this Offering Circular or any other document or material in connection with the offer or sale or invitation for subscription or purchase of the Sukuk, whether directly or indirectly, to any person in Singapore other than: (a) to an institutional investor pursuant to Section 274 of the SFA; (b) to a relevant person under Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Where the Sukuk are purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferable within 6 months after that corporation or that trust has acquired such Sukuk under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA, respectively and in accordance with the conditions specified in Section 275 of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 267(7) of the SFA; or
- (v) as specified in Regulation 32 of the Securities and Futures (offer of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

United Arab Emirates (excluding the Dubai International Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that the Sukuk to be issued under the Programme have not been and will not be offered, sold or publicly promoted or advertised by it in the UAE other than in compliance with any laws applicable in the UAE governing the issue, offering and sale of securities.

Dubai International Financial Centre

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered and will not offer the Sukuk to be issued under the Programme to any person in the Dubai International Financial Centre unless such offer is:

- (a) an “**Exempt Offer**” in accordance with the Markets Rules (MKT) module of the Dubai Financial Services Authority (the “**DFSA**”); and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module.

Kingdom of Saudi Arabia

No action has been or will be taken in the Kingdom of Saudi Arabia that would permit a public offering of the Sukuk. Any investor in the Kingdom of Saudi Arabia (a “**Saudi Investor**”) who acquires Sukuk pursuant to any offering should note that the offer of Sukuk is an offer to “**Sophisticated Investors**” (as defined in Article 10 of the “Offers of Securities Regulations” as issued by the Board of the Capital Market Authority resolution number 2-11-2004 dated 4 October 2004 and amended by the Board of the Capital Market Authority resolution number 1-28-2008 dated 18 August 2008 (the “**KSA Regulations**”)) for the purposes of Article 9 of the KSA Regulations. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the offer of the Sukuk has not and will not be offered or sold in the Kingdom of Saudi Arabia other than in compliance with the KSA Regulations, through an Authorised Person as defined in the Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority, and following a notification to the Capital Market Authority under the KSA Regulations.

The offer of Sukuk shall not therefore constitute a “**public offer**” pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 17 of the KSA Regulations, which are summarised as follows:

- (a) a Saudi Investor (referred to as a “**transferor**”) who has acquired Sukuk pursuant to a private placement may not offer or sell Sukuk to any person (referred to as a “**transferee**”) unless the offer or sale is made through an authorised person where one of the following requirements is met:
 - (i) the price to be paid for the Sukuk in any one transaction is equal to or exceeds Saudi Riyals one million or an equivalent amount;
 - (ii) the Sukuk are offered or sold to a sophisticated investor; or
 - (iii) the Sukuk are being offered or sold in such other circumstances as the Capital Market Authority may prescribe for these purposes;
- (b) if the requirement of paragraph (a)(i) above cannot be fulfilled because the price of the Sukuk being offered or sold to the transferee has declined since the date of the original private placement, the transferor may offer or sell the Sukuk to the transferee if their purchase price during the period of the original private placement was equal to or exceeded Saudi Riyals one million or an equivalent amount;
- (c) if the requirement in paragraph (b) above cannot be fulfilled, the transferor may offer or sell Sukuk if he/she sells his/her entire holding of Sukuk to one transferee; and
- (d) the provisions of paragraphs (a), (b) and (c) (inclusive) above shall apply to all subsequent transferees of the Sukuk.

Kingdom of Bahrain

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Sukuk except on a private placement basis to persons in the Kingdom of Bahrain who are “accredited investors”.

For this purpose, an “**accredited investor**” means:

- (a) an individual holding financial assets (either singly or jointly with a spouse) of U.S.\$1,000,000 or more;
- (b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.\$1,000,000; or
- (c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

State of Qatar (excluding the Qatar Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold or delivered, and will not offer or sell or deliver, directly or indirectly, any Sukuk in the State of Qatar, except: (a) in compliance with all applicable laws and regulations of the State of Qatar; and (b) through persons or corporate entities authorised and licenced to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar.

Japan

The Sukuk have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the “**FIEA**”). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not, directly or indirectly, offered or sold Sukuk, and will not, directly or indirectly, offer or sell any Sukuk in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

General

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has complied and will comply to the best of its knowledge and belief with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Sukuk or distributes this Offering Circular or any Pricing Supplement or any related offering material and will obtain any consent, approval or permission required by it for the purchase, offer, sale and delivery by it of the Sukuk under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Trustee, Axiata or any other Dealer shall have any responsibility therefor.

GENERAL INFORMATION

AUTHORISATION

The establishment of the Programme and the issuance of Sukuk thereunder has been duly authorised by a resolution of the Board of Directors of the Trustee dated 27 June 2012. The Trustee has obtained all necessary consents, approvals and authorisations in Malaysia in connection with the issue and performance of its obligations under the Sukuk. The entry into the Transaction Documents to which it is a party was authorised by a resolution of the board of directors of Axiata dated 23 May 2012.

LISTING OF SUKUK

Approval-in-principle has been granted for the listing and quotation of Sukuk that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Sukuk have been admitted to the Official List of the SGX-ST.

Admission to the Official List of the SGX-ST and any quotation of any Sukuk on the SGX-ST are not to be taken as an indication of the merits of the Trustee, Axiata, the Programme or the Sukuk. For so long as any Sukuk are listed on the SGX-ST and the rules of the SGX-ST so require, the Trustee shall appoint and maintain a paying agent in Singapore, where such Sukuk may be presented or surrendered for payment or redemption, in the event that any Global Certificate representing such Sukuk is exchanged for Definitive Certificates. In addition, in the event that any of the Global Certificates is exchanged for Definitive Certificates, for so long as such Sukuk are listed on the SGX-ST, an announcement of such exchange will be made by or on behalf of the Trustee through the SGX-ST and such announcement will include all material information with respect to the delivery of the Definitive Certificates, including details of the paying agent in Singapore.

Bursa Securities has granted its approval-in-principle for the listing of the Programme under the Bursa Securities (Exempt Regime) on 16 July 2012. The Sukuk to be issued under the Programme will be listed on Bursa Securities but will not be quoted for trading.

Bursa Securities takes no responsibility for the contents of this Offering Circular, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Offering Circular. Admission to the Official List of Bursa Securities (Exempt Regime) shall not be taken to indicate that Bursa Securities recommends the subscription or purchase of the Sukuk or as an indication of the merits of any of the Trustee and/or Axiata, the Programme or the Sukuk. Investors are advised to read and understand the contents of this Offering Circular before investing. If in doubt, the investors should consult his or her adviser.

LEGAL AND ARBITRATION PROCEEDINGS

Except as disclosed in this Offering Circular there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which the Trustee or Axiata is aware) which may have, or have had during the twelve months prior to the date of this Offering Circular, a significant effect on the financial position or profitability of the Trustee, Axiata and any of Axiata's Subsidiaries.

SIGNIFICANT/MATERIAL CHANGE

Since 30 June 2015 there has been no material adverse change in the prospects of Axiata and, since 30 June 2015, there has not been any significant change in the financial or trading position of Axiata.

There has been no significant change in the financial or trading position of the Trustee and no material adverse change in the financial position or prospects of the Trustee, in each case, since 30 June 2015.

AUDITORS

The consolidated financial statements of Axiata have been audited without qualification in accordance with the provisions of the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia for each of the three years ended 31 December 2012, 31 December 2013 and 31 December 2014 by PricewaterhouseCoopers at the address of Level 10, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, 50706 Kuala Lumpur, Malaysia as stated in their reports incorporated by reference herein. PricewaterhouseCoopers are public accountants registered to practise as auditors with the Malaysian Institute of Accountants.

The financial statements of the Trustee have been audited without qualification for the financial period from 4 June 2012 (being the date of the Trustee's incorporation) to 31 December 2012 and for the financial years ended 31 December 2013 and 31 December 2014 by PricewaterhouseCoopers at the address of Level 10, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, 50706 Kuala Lumpur, Malaysia.

DOCUMENTS ON DISPLAY

For the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published, be available for inspection from the registered office of the Trustee and from the specified office of the Paying Agents for the time being in Hong Kong:

- (a) the Memorandum and Articles of Association of the Trustee and Axiata;
- (b) the audited consolidated financial statements of the Group for the financial years ended 31 December 2012, 31 December 2013 and 31 December 2014 in each case, together with the audit reports prepared in connection therewith, and the unaudited restated consolidated interim financial statements of the Group for the six months ended 30 June 2015;
- (c) the audited financial statements of the Trustee for the financial period from 4 June 2012 (being the date of the Trustee's incorporation) to 31 December 2012 and for the financial years ended 31 December 2013 and 31 December 2014, in each case, together with the audit reports prepared in connection therewith;
- (d) the most recently published consolidated audited annual financial statements of Axiata, together with the audit reports and notes prepared in connection therewith and the most recently published consolidated interim financial statements of Axiata;
- (e) the most recently published consolidated audited annual financial statements of the Trustee, together with the audit reports and notes prepared in connection therewith and the most recently published consolidated interim financial statements of the Trustee;
- (f) the Master Wakala Agreement, the Transaction Agency Agreement, the Master Murabaha Agreement, the Master Share Purchase Agreement, the Master Airtime Purchase Agreement and each Supplemental Airtime Purchase Agreement, the Master Headlease Agreement and each Supplemental Headlease Agreement, the Master Sub-Lease Agreement and each Supplemental Sub-Lease Agreement, the Purchase Undertaking (which contains the form of related Sale Agreement), the Redemption Undertaking, the Sale Undertaking (which contains the form of related Sale Agreement), the Change of Control Undertaking, the Substitution Undertaking, the Agency Agreement, the Master Declaration of Trust and each Supplemental Declaration of Trust and the forms of the Global Certificate and Definitive Certificates;

- (g) any Supplemental Declaration of Trust in relation to Sukuk which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system;
- (h) a copy of this Offering Circular; and
- (i) any future supplements to this Offering Circular including Pricing Supplement and any other documents incorporated herein or therein by reference.

CLEARING SYSTEMS

The Sukuk have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Sukuk of each Series will be specified in the applicable Pricing Supplement. The applicable Pricing Supplement shall specify any other clearing system as shall have accepted the relevant Sukuk for clearance together with any further appropriate information.

DEALERS TRANSACTING WITH AXIATA

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to Axiata and its subsidiaries in the ordinary course of business.

ANNEX A — KEY LICENCES

The table below sets forth details of material licences held by the Group as of the date of this Offering Circular:

NO.	LICENSEE/COUNTRY	DESCRIPTION OF LICENCES	DATE OF GRANT/LATEST DATE OF RENEWAL	EXPIRY DATE
MALAYSIA				
1	Celcom Axiata Berhad	Network Facilities Provider Earth stations, fixed links and cables, radio communications, transmitters and links, satellite hubs, tower, poles ducts and pits used in conjunction with other network facilities, submarine cable landing centre NFP/I/2000/108	30 August 2015	29 August 2025
2	Celcom Mobile Sdn Bhd	Network Facilities Provider Radio communications, transmitters and links, tower, poles, ducts and pits used in conjunction with other network facilities NFP/I/2000/110	30 August 2015	29 August 2025
3	Celcom Networks Sdn Bhd	Network Facilities Provider Earth station, fixed links and cables, radio communications, transmitters and links, tower, poles, ducts and pits used in conjunction with other network facilities NFP/I/2000/109	30 August 2015	29 August 2025
4	Celcom Timur (Sabah) Sdn Bhd	Network Facilities Provider Fixed links and cables, submarine cable landing centre, switching centre, towers, poles, ducts and pits used in conjunction with other network facilities NFP/I/2000/46 Note: Celcom Timur is currently in the process of renewing the licence application	28 December 2005	27 December 2015
5	Celcom Axiata Berhad	Network Services Provider Bandwidth services, broadcasting distribution services, cellular mobile services, access application services and space service NSP/I/2000/121	30 August 2015	29 August 2025

NO.	LICENSEE/COUNTRY	DESCRIPTION OF LICENCES	DATE OF GRANT/LATEST DATE OF RENEWAL	EXPIRY DATE
6	Celcom Mobile Sdn Bhd	Network Services Provider Bandwidth services, broadcasting distribution services, cellular mobile services, access application services and space service NSP/I/2000/123	30 August 2015	29 August 2025
7	Celcom Networks Sdn Bhd	Network Services Provider Bandwidth services, broadcasting distribution services, cellular mobile services, access application services and space service NSP/I/2000/122	30 August 2015	29 August 2025
8	Celcom Timur (Sabah) Sdn Bhd	Network Services Provider Bandwidth services, broadcasting distribution services, cellular mobile services, access application services and space service NSP/I/2000/52 Note: Celcom Timur is currently in the process of renewing the licence application	25 July 2001	27 December 2015
9	Celcom Axiata Berhad	Applications Services Provider (Class) PSTN, Public Cellular Services, IP Telephony, Public Switched Data Service, Audiotext Hosting Services, Internet Access Services and Messaging Services Note: Renewable annually	1 April 2015	31 March 2016
10	Celcom Mobile Sdn Bhd	Applications Services Provider (Class) Public cellular services, IP telephony, internet access services & messaging services Note: Renewable annually	1 April 2015	31 March 2016
11	Celcom eCommerce Sdn Bhd	Applications Services Provider (Class) Messaging Services Note: Renewable annually	13 January 2015	12 January 2016
12	Celcom Timur (Sabah) Sdn Bhd	Application Service Provider (Class) IP Telephony and Internet Access Services Note: Renewable annually. Celcom Timur is currently in the process of renewing the licence application	20 November 2014	19 November 2015

NO.	LICENSEE/COUNTRY	DESCRIPTION OF LICENCES	DATE OF GRANT/LATEST DATE OF RENEWAL	EXPIRY DATE
13	Celcom eCommerce Sdn Bhd	Approval for issuing a designated payment system instrument (e- money services) JDSP/POL/4200/0/SO/ZR Note: Issued by Bank Negara Malaysia	13 November 2008	Not applicable
INDONESIA				
1	PT XL Axiata Tbk	Licence to Operate Cellular Mobile Network (including 2G, IMT-2000/3G, 4G) Decree of Ministry of Communication and Informatics No. 618 YEAR 2014 dated 20 June 2014 as amended by Decree of Ministry of Communication and Informatics No. 1021 YEAR 2014 dated 10 December 2014	10 December 2014	Valid for unlimited period as long as XL complies with prevailing laws, regulation as well as commitments under the licence Reviewed every 5 years
2	PT XL Axiata Tbk	Licence to operate Content Providing Service Keputusan Direktur Jenderal No. 234 Tahun 2014 dated 7 August 2014	7 August 2014	Valid for unlimited period as long as XL complies with prevailing laws, regulation as well as commitments under the licence Reviewed every 5 years
3	PT XL Axiata Tbk	Licence to operate Internet Telephony Services (VoIP) Keputusan Direktur Jenderal Pos dan Telekomunikasi No. 294/KEP/DJPT/KOMINFO/8/2010 dated 31 August 2010 Note: XL is currently evaluating a new development commitment for the next 5 years as part of the licence review	31 August 2010	Valid for unlimited period as long as XL complies with prevailing laws, regulation as well as commitments under the licence Reviewed every 5 years
4	PT XL Axiata Tbk	Licence to operate Closed Fixed Network 133/KEP/M.KOMINFO/04/2009 Note: XL is currently evaluating a new development commitment for the next 5 years as part of the licence review	21 April 2009	Valid for unlimited period as long as XL complies with prevailing laws, regulation as well as commitments under the licence Reviewed every 5 years
5	PT XL Axiata Tbk	Licence to Operate Internet Interconnection Services (Network Access Point) 187/KEP/DJPPI/KOMINFO/7/2011 Note: XL will be evaluating a new development commitment for the next 5 years as part of the licence review in July 2016	11 July 2011	Valid for unlimited period as long as XL complies with prevailing laws, regulation as well as commitments under the licence Reviewed every 5 years

NO.	LICENSEE/COUNTRY	DESCRIPTION OF LICENCES	DATE OF GRANT/LATEST DATE OF RENEWAL	EXPIRY DATE
6	PT XL Axiata Tbk	Licence to operate Internet Access Services 270/DIRJEN/2010 as amended by Directorate General of Penyelenggaraan Pos and Informatika (PPI) No. 395 YEAR 2013 dated 21 November 2013	21 November 2013	Valid for unlimited period as long as XL complies with prevailing laws, regulation as well as commitments under the licence Reviewed every 5 years
7	PT XL Axiata Tbk	Licence to Operate Money Remitter 14/96/DASP/40 Note: Issued by Bank Indonesia	24 January 2012	Not applicable
8	PT XL Axiata Tbk	E-Money Issuer Licence Bank of Indonesia's Letter No.12/816/DASP followed by Peraturan Bank Indonesia No.16/8/2014 dated 8 April 2014 Note: Issued by Bank Indonesia.	8 April 2014	7 April 2019
SRI LANKA				
1	Dialog Axiata PLC	Licence to operate a cellular mobile telephone service LCS/SYS/MTN/1/93	28 September 2013	27 September 2023
2	Dialog Axiata PLC	Licence to operate a telecommunication system which provides internet services LCS/SYS/DNF/14	1 November 2011	31 October 2016
3	Dialog Axiata PLC	Licence to operate an external gateway for international telecommunications	28 February 2013	27 February 2023
4	Dialog Axiata PLC	Operator of a 'Mobile Phone based E-Money System' and to Issue only single purpose stored value transport cards as an 'Issuer of Payment Cards' Note: Issued by Central Bank of Sri Lanka	17 December 2013	No date of expiry. Annual licence fee paid within January every year
5	Dialog Broadband Networks (Private) Limited	Licence to operate the telecommunication system for the purpose of providing domestic and international fixed telecommunication services in Sri Lanka, using wireless local loop technology operating in 450 MHz frequency band and any other band allocated to licensee LCS/SYS/MTT/1/05 Note: Renewal application has been submitted to TRCSL and DBN is currently liaising with the TRCSL to obtain renewed licence	10 November 2005	9 November 2015

NO.	LICENSEE/COUNTRY	DESCRIPTION OF LICENCES	DATE OF GRANT/LATEST DATE OF RENEWAL	EXPIRY DATE
6	Dialog Broadband Networks (Private) Limited	Licensed to operate integrated transmission network of digital microwave radio links and optical fibre cables LCS/SYS/MTT/1/95 Note: Renewal applications have been submitted and DBN is currently liaising with TRCSL. DBN has been authorised by TRCSL to continue operations pending the issuance of the renewed licence	8 May 1995	7 May 2015
7	Dialog Broadband Networks (Private) Limited	Licence to operate a telecommunication system which provides internet services LCS/SYS/MTT/Data/1/98	5 December 2013	4 December 2018
8	Dialog Television (Private) Limited	Licence to operate a Direct to Home Satellite Broadcasting Service (DTH System Licence)	1 February 2012	31 January 2017
9	Dialog Television (Private) Limited	Licence to establish, operate and maintain a Terrestrial Television Broadcasting Network Note: Issued by Ministry of Mass Media & Information	6 January 2012	Not applicable
10	Dialog Television (Private) Limited	Licence to establish, operate and maintain an Internet Protocol Television Service Note: Issued by Ministry of Mass Media & Information. Renewable annually. Renewable annually as a matter of process	6 January 2012	5 January 2017
11	Dialog Television (Private) Limited	Licence to establish, operate and maintain a Satellite Television Network Note: Issued by Ministry of Mass Media & Information	6 January 2012	Not applicable
12	Dialog Television (Private) Limited	Licence to establish, operate and maintain a subscription based pay Cable Television Network Note: Issued by Ministry of Mass Media & Information	6 January 2012	Not applicable
BANGLADESH				
1	Robi Axiata Ltd	Cellular Mobile Phone Operator Licence BTRC/LL/Mobile/Licence Renewal/Robi (3)/2011-03	7 August 2012 (Effective date: 11 November 2011)	10 November 2026

NO.	LICENSEE/COUNTRY	DESCRIPTION OF LICENCES	DATE OF GRANT/LATEST DATE OF RENEWAL	EXPIRY DATE
2	Robi Axiata Ltd	Radio Communications Equipment Licence SM/3-2/1997 (Pt -28)/1656	7 August 2012 (Effective date: 11 November 2011)	10 November 2026
3	Robi Axiata Ltd	3G Cellular Mobile Phone Services Operator Licence BTRC/LL/3G (2) Robi/2013-2	12 September 2013	11 September 2028
4	Robi Axiata Ltd	3G Radio Communications Apparatus Licence BTRC/SM/3-2/1997 (pt-32)/ 2155	12 September 2013	11 September 2028
CAMBODIA				
1	Smart Axiata Co., Ltd	Licence for the Provision and Operation of Cellular Mobile and Telecommunications Network and Services using 2G, 3G and 4G (LTE) within the Kingdom of Cambodia No. 12 TRC/RDU	26 September 2013	25 September 2043
2	Smart Axiata Co., Ltd	Licence for the Provision of ISP Services in Kingdom of Cambodia No. 13 TRC/RDU	26 September 2013	25 September 2043
3	Smart Axiata Co., Ltd	Licence for the Provision and Operation of Voice of Internet Protocol Services (VoIP) within the Kingdom of Cambodia No. 14 TRC/RDU	26 September 2013	25 September 2043
4	Smart Axiata Co., Ltd	Licence for the Provisioning and Operation of Fixed Wireless Local Loop within the Kingdom of Cambodia No. 15 TRC/RDU	7 November 2013	6 November 2043
5	Smart Axiata Co., Ltd	Licence to Carry Out Operations as Third Party Processor Note: Issued by National Bank of Cambodia	10 April 2015	9 April 2018
6	Smart Axiata Co., Ltd	Licence to Carry Out Operations as Insurance Agent Note: Issued by Ministry of Economy and Finance	4 July 2014	3 July 2017
PAKISTAN				
1	Multinet Pakistan Pvt Ltd	Local Loop Licence issued under section 21 of the Pakistan Telecommunication (Re-organization) Act 1996 LL-32-2004 (for Karachi region) LL-22-2004 (for 13 other regions)	30 September 2004 (for Karachi region) 16 July 2004 (for 13 other regions)	29 September 2024 (for Karachi region) 15 July 2024 (for 13 other regions)

NO.	LICENSEE/COUNTRY	DESCRIPTION OF LICENCES	DATE OF GRANT/LATEST DATE OF RENEWAL	EXPIRY DATE
2	Multinet Pakistan Pvt Ltd	Licence to establish, maintain and operate Non-Voice Communication Network Services (NVCNS) in Pakistan DIR(C)/L/PTA/52/2001	1 November 2001	31 October 2016
3	Multinet Pakistan Pvt Ltd	Long Distance International (LDI) Licence issued under section 21 of the Pakistan Telecommunication (Re-organization) Act 1996 LDI-13(9)-2005	29 November 2005	28 November 2025
EDOTCO GROUP SDN BHD				
edotco Malaysia				
1	edotco Malaysia Sdn Bhd	Network Facilities Provider a) Radio communications transmitters and links; and b) Towers, poles, ducts and pits used in conjunction with other network facilities NFP/I/2000/155	7 December 2012	6 December 2017
2	edotco Malaysia Sdn Bhd	Network Services Provider NSP/I/2000/189	5 March 2014	4 March 2024
Edotco Cambodia				
3	Edotco (Cambodia) Co., Ltd.	Construction and provision of telecommunication tower and related infrastructure services within Kingdom of Cambodia No. 35 TRC/RDU	6 February 2015	5 February 2045
edotco Pakistan				
4	edotco Pakistan (Private) Limited.	Telecommunications Infrastructure (Tower) Provider PTA/TTP-009-2015	8 July 2015	7 July 2030

INDEX OF DEFINED TERMS

\$70	Axis20, 147
30/360	84, 89	BBG	156
30E/360	89	BCH System	225
30E/360(ISDA)	90	BDT	iii
360/360	89	billion	iii
A/360	89	BKPM	29
A/365 (Fixed)	84, 89	Blue Cube	145
A/365F	84, 89	BM	172
AA	127	BMIS	225
Access List	178	Bond Basis	89
Accountholder	57	BPDB	162
accredited investor	238	BR	172
Act/360	89	Broken Amount	57
Act/365 (Fixed)	84, 89	BTA	188
Act/Act	88	BTRC	160
Act/Act (ICMA)	88	BTS	28, 134
Act/Act (ISDA)	88	Bursa Securities	i, 123
Actual/360	89	Bursa Securities (Exempt Regime)	i
Actual/365(Fixed)	84, 89	business day	72
Actual/Actual	88	Business Day	57, 86
Actual/Actual (ICMA)	83, 88	Business Day Convention	58
Actual/Actual (ISDA)	88	€	iii, 70
ADIF	169	CAG	174
Additional Business Center	57	Calculation Agent	55
Additional Dissolution Distribution		Calculation Amount	58
Amount	85, 88	Calling Party Pays	186
Additional Distribution Period	57, 212, 217	Cancellation Amount	218, 224
Additional Lease Period	57, 208	Cancellation Amounts	218
ADS	iii, 43, 132, 168	Cancellation Date	224
ADS Group	iii	Cancellation Dissolution Date	58, 218
Agency Agreement	55	Cancellation Notice	58, 224
Agents	56	Cancellation Sukuk	14, 58, 98
AH	172	CAPEX	129
AII	124	Capital Market Authority	v
AILL	124	Casacom	125, 165
Airtime Minutes	205	Celcom	iii
Airtime Voucher	57	Celcom Group	iii
Airtime Vouchers	2, 205	Celcom Resources	172
Amending Directive	50	Celcom Trading	172
APC	133	Certificate	58, 70
applicable Pricing Supplement	55	Change of Control	9, 58
Approved Director	59	Change of Control Amount	59, 223
Aras Capital	172	Change of Control Confirmation Notice	59, 99
ARPU	32	Change of Control Exercise Notice	59, 98
Arrangers	i	Change of Control Exercise	
ARSA	172	Notice Receipt	59, 99
Articles	196	Change of Control Exercise Option	59
ATM	150	Change of Control Exercise	
Attributable Debt	75	Period	8, 59, 98, 223
Authorised Entity	57, 206	Change of Control Notice	59, 98
Axiata	i, 55	Change of Control Purchase Notice	59, 223
Axiata Digital Services	iii	Change of Control Sukuk	8, 59, 223
Axiata Event	57, 101, 221	Change of Control Triggering Event	9, 59, 223
Axiata Sukuk	223	Change of Control Undertaking	56, 223

CLBC	144	edotco Group	iii
Clearing System Business Day	110	Electroteks	174
Clearstream, Luxembourg	15, 59, 71	Eligibility Criteria	205
CMA	29, 176	Encumbrance	205
CMA 1998	31	ESOS	126, 140
Collection Account	11, 59, 218	ETACS	123
Commission's proposal	231	euro	iii, 70
Commodities	212, 225	Eurobond Basis	89
Commodity Amount	211	Euroclear	15, 61, 71
Common Depository	15, 109	Eurodollar Convention	58
Compensated Person	216	Exchange Event	109
Conditions	55	Exercise Notice	61, 218, 222
Continuing Director	59	Existing Directors	59
Customer	212	Extraordinary Resolution	61, 228
D ₁	89, 90	FDD	147
D ₂	89, 90	FDS	125, 156
DAH	132	FICA	144
Day Count Fraction	60, 83, 88	FIEA	238
DBN	124, 153, 174	First Periodic Distribution Date	61
DCL	125	Fixed Amount	61
Dealer	i	Fixed Periodic Distribution Provisions	61, 83
Dealers	i, 233	Floating Periodic Distribution Provisions	61, 85
Declaration of Trust	78, 226	Floating Rate Convention	58
Defendants	172	FMSA	235
Deferred Payment Price	60, 212, 218, 224	Following Business Day Convention	58
Deferred Purchase Debt	75	Frequency Fee	182
Definitive Certificate	15, 55, 109	FRN Convention	58
Delegate	i, 4, 55	FTT	231
Delegation	60, 106	GADP	140
DeTeAsia	172	Global Certificate	15, 55, 109
Determination Date	60	Government Regulation No. 7 Year 2009	182
Determination Period	60	GST	31
DFSA	237	Head Lease Interest	61
DGPI	181	Hello	iii, 125, 165
DGRIFI	181	holder	67
Dialog	iii	holder of Sukuk	67, 109
Dialog Group	iii	HSBB	178
DiGi	43, 146	HSDPA	141
Dispute	60, 108	HSPA	167
Dissolution Amount	60	ICSDs	51
Dissolution Date	60, 212	ICX	189
Dissolution Event	60, 99, 218	IDA	167
Dissolution Event Redemption Date	61, 100	IDD	167
Dissolution Request	61, 100, 218	Idea	iii
Distribution Notice	212, 218	IDR	iii
Distribution Period	218	IGW	189
Distribution Profit	11, 61, 218	IIG	189
DLKY	172	ILD	166
DOB	162	ILDTS	190
Domestic Interconnection Regime	186	Indebtedness for Borrowed Money	102
DSR	163	Indosat	152
DTI	153	Ineligible Shares	211
DTV	153	INMS	164
Early Dissolution Amount (Tax)	61	Interim Directive	192
edotco	iii, 132	Investment Grade	61

Investment Law	29	Modified Business Day Convention	58
Investor's Currency	54	Modified Following Business Day Convention	58
IoT	136	Moody's	63
IP	158	MOU	28
IPTSP	193	MPLS	155
ISP	166	MSA	179
Issue Date	61	MSAP	30, 179
Issue Price	61	MTC	168
IT	133	Multinet	127
ITRB	181	Murabaha Contract	56, 212
IVR	157	Murabaha Indemnity Amount	62, 213, 225
Khazanah	iii, 196	MVNO	27, 145
KSA Regulations	237	NBR	26, 173
Lease Assets	2, 61, 206, 208	Negative List	29
Lease Payment	62, 206	New Airtime Vouchers	222
Lease Percentage	62, 208	New Lease Assets	62, 222
Lease Term	206, 207	NGN	159
Lessee	206, 207	NGNBN	167
Lessor	206, 207	NLD	166
Liabilities	62	No Adjustment	58
Liability	62, 228	NOC	43, 159
LOLA Framework	v	Non-exempt Offer	233
Long Term Evolution	167	Notice of Request to Purchase	213, 225
LTE	28	NTT	125
LTE-A	167	NTTN	191
LTI Program	124	OCS	144
LTU	173	OFC	166
M ₁	iii, 89, 90	Offer Notice	226
M ₂	89, 90	offer of Sukuk to the public	234, 235
M2M	136	Offering Circular	i, 112
Major Maintenance and Structural Repair	208	Operation Fee	182
Malaysian Ringgit	iii	Optional Dissolution Date	62
Margin	62	Optional Dissolution Right	62, 222
Market	225	Ordinary Maintenance and Repair	208
Master Airtime Purchase Agreement	56, 205	Original Shares	204, 213
Master Declaration of Trust	i, 55, 226	OTA	172
Master Headlease Agreement	56, 206	OTT	32
Master Murabaha Agreement	56, 224	Outdoor Structures	28
Master Share Purchase Agreement	56, 204	Outstanding Amount	62, 213
Master Sub-Lease Agreement	56, 207	Outstanding Price	217
Master Wakala Agreement	209	participating Member States	231
MAVCAP	169	Paying Agents	55
Maxis	146	Payment Business Day	62
Maxis Group	196	Payment Date	218
MCMC	29	PDH	164
MCOMM	176	PDPA	32
MDS	151	Periodic Distribution Amount	62, 83, 85
MFS	162	Periodic Distribution Date	62, 85
MIFE	132	Person	63
Minimum Sale Price	216, 218	Post-Reorganisation Date	102
Minister	176, 185	Potential Axiata Event	218
MNOs	31	Potential Dissolution Event	63, 228
MNP	179	Preceding Business Day Convention	58
MoCI	181	Presidential Decree	29
Modern Licence	182		

Pricing Supplement	.i, 5	RIO	.183
Principal Paying Agent	.55, 222	RM	.iii
Principal Subsidiary	.76	Robi	.iii, 173
Proceedings	.63, 108	Robi Group	.iii
Proceeds	.63	ROIC	.138
professional investors	.235	RSP	.140
Programme	.i, 55	Rupiah	.iii
Programme Agreement	.63, 233	S&P	.63
prospectus	.235	Sale Agreement	.56, 66
Prospectus Directive	.234, 235	Sale Undertaking	.56, 221
Purchase Price	.224	Sale Undertaking Sale Agreement	.221
Purchase Undertaking	.56, 215	Sale/Leaseback Transaction	.77
Purchase Undertaking Sale Agreement	.216	Samart	.iii
Purchaser	.224	Saudi Investor	.237
QIA	.199	Savings Directive	.50
Rate	.63	Scheduled Dissolution Date	.66, 220
Rating Agencies	.63	SCT	.144
Rating Date	.63	SDH	.164
Rating Downgrade	.63	Securities Act	.ii
Receiver	.228	SECURITIES ACT	.i
Record Date	.63, 92, 110	Security Interest	.74
Redemption Undertaking	.56, 223	Seller	.204, 205, 224
Reference Banks	.63	sen	.iii
Reference Rate	.63	Sender Keeps All	.186
Register	.63, 70	Series	.5, 55
registered account	.91	SFA	.236
registered address	.91	SGD	.iii
Registrar	.56	SGX-ST	.i, 126
Regular Date	.64	Share Purchase Price	.208
Regular Period	.64	Share Ratio	.210
Regulation S	.ii	Share Value	.213
REJA	.52	Shares	.2, 209, 210
Relevant Company	.204	Shari'a	.66
Relevant Date	.64, 97	Shari'a Board	.66
relevant Dealer	.i	Shari'a Scholar	.53
Relevant Implementation Date	.233	SIM	.27
Relevant Indebtedness	.77	SLBC Act	.188
Relevant Jurisdiction	.64, 97	SLR	.iii
Relevant Member State	.233	SLRC	.188
Relevant Powers	.64, 106	SLRC Act	.188
Relevant Sukuk Obligation	.77	SLTA	.185
Rental	.64, 207	Smart	.iii
Rental Payment Date	.208	SME	.144
Reorganisation	.101	SMS	.131
Reorganisation Rating Decline	.102	SOF	.192, 194
Replacement Shares	.211	Solvent	.102
Residual Assets	.11, 64, 219	Sophisticated Investors	.237
Residual Assets Due Date	.219	SPA	.125
Residual Assets Exercise Price	.11, 64, 219	Specific Period Distribution Date	.66
Return Accrual Commencement Date	.65	Specified Currency	.12, 66, 209, 213, 220
Return Accumulation Period	.65	Specified Denomination(s)	.66
Revocation Date	.12, 65, 213	Spice	.iii
Revocation Event	.12, 65, 213	STP	.152
Revocation Event Dissolution Date	.66, 96	Subscription Agreement	.173
Ringgit	.iii	Subsidiary	.77, 228

Substituted Airtime Vouchers	222	Total Loss Surplus Amount	96
Substituted Lease Assets	222	Total Loss Termination Event.	13, 69
Substitution Notice	222	Transaction Account.	69, 81
Substitution Undertaking	56, 222	Transaction Agency Agreement.	56, 226
Substitution Undertaking Sale Agreement.	222	Transaction Agent	226
sub-unit	66, 88	Transaction Documents	69
Sukuk	i, 55	Transfer Agent	55
Sukuk Assets	66, 229	Transferee	237
Sukuk Due Date	220	Transferor	237
Sukuk Exercise Price	66, 220	TRC	185
Sukuk Obligation	77	TRCSL.	154
Sukukholder	67, 109	Trust.	i, 55, 226
Sukukholders	i, 55	Trust Assets	6, 69
Supplemental Agreement	172	Trustee	i, 55
Supplemental Airtime Purchase		TSDTR	172
Agreement	56, 205	U.S.	ii
Supplemental Declaration of Trust	i, 55, 226	U.S. dollar	iii
Supplemental Headlease Agreement	56, 206	U.S. dollars	iii, 70
Supplemental Share Purchase		U.S.\$	iii, 70
Agreement	56, 204	ULR.	191
Supplemental Sub-Lease Agreement	56, 207	United States dollars	iii
Supplementary Rental	209, 213, 216	USD	iii, 70
Surplus Airtime Vouchers	220	USO	180
Surplus Date	221	USP Regulations	180
Surplus Purchase Price	221	USSD	145, 157
Takaful/Insurance Coverage Amount. 13, 67, 213		Value	69, 209
Takaful/Insurance Proceeds	9, 214	VAS	161
Takaful/Insurances	14, 68, 214	VAT	26, 174
Tangibility Requirement	210	Voucher Cost Price.	214
Tangible Asset	210	Voucher Percentage	14, 69, 214
Tangible Assets	210	Wakala Agreement	56
TARGET Settlement Day	68	Wakala Assets	69, 221
TARGET System	68	Wakala Indemnity Amount	211
Tax	209	Wakala Services	69, 214
Tax Event.	68, 93, 222	Wakala Services Charge Amount	70, 214
Tax Redemption Date.	68	Wakala Services End Date	70, 215
Taxes	68, 97, 205, 206, 209	Wakala Services Payment Date.	70, 215
TDD	147	Wakala Services Period	70, 215
Telecommunications Law	181	Wakala Services Term	215
Telkomsel	152	Wakeel.	78, 209
TM.	iii	W-CDMA	141
TM Group	iii	WIC	163
TMIL	124	XL	iii
Total Loss Dissolution Date	68, 95, 221	XL Group.	iii
Total Loss Event	13, 68, 206, 209	Y ₁	89, 90
Total Loss Shortfall Amount.	10, 79, 212	Y ₂	89, 90

TRUSTEE

Axiata SPV2 Berhad
Level 5, Corporate Headquarters
Axiata Tower
9 Jalan Stesen Sentral 5
Kuala Lumpur Sentral
50470 Kuala Lumpur, Malaysia

AXIATA

Axiata Group Berhad
Level 5, Corporate Headquarters
Axiata Tower
9 Jalan Stesen Sentral 5
Kuala Lumpur Sentral
50470 Kuala Lumpur, Malaysia

DELEGATE

The Hongkong and Shanghai Banking Corporation Limited
Level 30, HSBC Main Building
1 Queen's Road Central
Hong Kong

PRINCIPAL PAYING AGENT, CALCULATION AGENT AND TRANSFER AGENT

The Hongkong and Shanghai Banking Corporation Limited
Level 30, HSBC Main Building
1 Queen's Road Central
Hong Kong

REGISTRAR

The Hongkong and Shanghai Banking Corporation Limited
Level 30, HSBC Main Building
1 Queen's Road Central
Hong Kong

ARRANGERS AND DEALERS

CIMB Bank (L) Limited
C/O CIMB Investment Bank Berhad
Level 18
Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Malaysia

Deutsche Bank AG,
Singapore Branch
One Raffles Quay
#17-00 South Tower
Singapore 048583

LEGAL ADVISERS

International Counsel to the Joint Arrangers, Joint Lead Managers and Dealers

Clifford Chance LLP
Level 15, Burj Daman
Dubai International Financial Centre
P.O. Box 9380
Dubai
United Arab Emirates

Clifford Chance
27th Floor, Jardine House
One Connaught Place
Central
Hong Kong

International Counsel to Axiata

Allen & Overy LLP
50 Collyer Quay
#09-01 OUE Bayfront
Singapore 049321

To Axiata as to Malaysian Law

Zaid Ibrahim & Co
A member of ZICOlaw
Level 19 Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Malaysia

To the Joint Arrangers, Joint Lead Managers and Dealers as to Malaysian Law

Adnan Sundra and Low
Level 11, Menara Olimpia
No. 8 Jalan Raja Chulan
50200 Kuala Lumpur
Malaysia

To the Delegate as to English law

Clifford Chance Pte. Ltd.
Marina Bay Financial Centre
25th Floor, Tower 3
12 Marina Boulevard
Singapore 018982

AUDITORS TO AXIATA

PricewaterhouseCoopers
Level 10, 1 Sentral
Jalan Rakyat
Kuala Lumpur Sentral
50706 Kuala Lumpur
Malaysia

LISTING AGENT

Allen & Overy LLP
50 Collyer Quay
#09-01 OUE Bayfront
Singapore 049321



axiata

AXIATA SPV2 BERHAD

(Company No. 1004618-V)

(incorporated in Malaysia with limited liability under the Companies Act, 1965 of Malaysia)