

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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**AXIATA GROUP BERHAD**

(242188-H)

(Incorporated in Malaysia under the Companies Act, 1965)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The ordinary resolution for the proposal will be tabled at the Twenty Third Annual General Meeting ("**23rd AGM**") of Axiata Group Berhad ("**Axiata**"). This circular is despatched together with the notice of the 23rd AGM of Axiata and the proxy form as enclosed in our Annual Report 2014. The date, time and venue of the 23rd AGM are as follows:

Date and time of the 23rd AGM : Wednesday, 20 May 2015 at 10.00 a.m. or at any adjournment thereof.

Venue : Nexus Ballroom 2 & 3, Level 3A, Connexion@Nexus, No. 7 Jalan Kerinchi, Bangsar South City, 59200 Kuala Lumpur, Malaysia.

The proxy form for the 23rd AGM should be completed and deposited at the office of Axiata's share registrar, Tricor Investor Services Sdn. Bhd. at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia on or before the following time and date:

Last day and time for deposit of proxy form : Monday, 18 May 2015, at 10.00 a.m.

This circular is dated 28 April 2015

## DEFINITIONS

In this circular, the following words and expressions shall bear the following meanings respectively, unless the context otherwise requires:

“Act”	:	Companies Act, 1965, as amended from time to time and includes any re-enactment thereof.
“AGM”	:	Annual General Meeting.
“Axiata” or “Company”	:	Axiata Group Berhad.
“Axiata ESOS”	:	Performance-based employee share option scheme for Eligible Employees which was established on 16 April 2009 and has a scheme period of 8 years.
“Axiata Group” or “Group”	:	Axiata and its subsidiaries, collectively.
“Axiata Shares”	:	Ordinary shares of nominal value RM1.00 each in the capital of the Company, and “Axiata Share” shall be construed accordingly.
“Axiata Share Scheme”	:	Axiata’s performance-based share option and share scheme comprising the Axiata ESOS and the Axiata restricted share scheme.
“BDT”	:	Bangladeshi Taka.
“Board”	:	Board of Directors.
“Board Audit Committee”	:	The audit committee of the Board, as detailed in section 2.6 of this circular.
“Bursa Securities”	:	Bursa Malaysia Securities Berhad.
“Celcom”	:	Celcom Axiata Berhad, a wholly-owned subsidiary of Axiata.
“Celcom Group”	:	Celcom and its subsidiaries, collectively.
“CMSA”	:	Capital Markets and Services Act, 2007, as amended from time to time and includes any re-enactment thereof.
“Connected Person” or “Person Connected”	:	In relation to a Director or Major Shareholder, means such person who falls under any one of the following categories: <ul style="list-style-type: none"><li>(i) a family member of the Director or Major Shareholder;</li><li>(ii) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the Director, Major Shareholder, or a family member of the Director or Major Shareholder, is the sole beneficiary;</li><li>(iii) a partner of the Director, Major Shareholder, or a partner of a Connected Person to that Director or Major Shareholder;</li></ul>

- (iv) a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
- (v) a person in accordance with whose directions, instructions or wishes the Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act;
- (vi) a body corporate which is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder; or the directors of such body corporate who are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
- (vii) a body corporate the directions, instructions or wishes of which the Director or Major Shareholder is accustomed or under an obligation, whether formal or informal, to act; or the directors of such body corporate the directions, instructions or wishes of which the Director or Major Shareholder is accustomed or under an obligation, whether formal or informal, to act;
- (viii) a body corporate in which the Director or Major Shareholder, and Connected Persons of such Director or Major Shareholder, are entitled to exercise, or control the exercise of, not less than 15% of the votes attached to voting shares in the body corporate; or
- (ix) a body corporate which is a related corporation of the Director or Major Shareholder.

“Director” : A director of Axiata or its subsidiary (as the case may be) within the meaning given in section 2(1) of the CMSA, and for the purposes of the Proposed Shareholders’ Mandate, and in respect of any particular transaction includes any person who is or was, within the six-month period preceding the date on which the terms of that transaction were agreed upon:

- (i) a director of Axiata or its subsidiary or holding company; or
- (ii) a chief executive officer of Axiata or its subsidiary or holding company;

and “Directors” shall be construed accordingly.

“Eligible Employees” : Eligible employees and executive directors of Axiata Group (other than subsidiaries that are dormant) who meet the criteria of eligibility to be selected for participation in the Axiata Share Scheme, and “Eligible Employee” shall be construed accordingly.

“IDR” : Indonesian Rupiah.

“Khazanah Nasional”	:	Khazanah Nasional Berhad, a Major Shareholder of Axiata.
“LOA”	:	Limits of authority, as described in section 2.6 of this circular.
“LKR”	:	Sri Lankan Rupee.
“LPD”	:	31 March 2015, being the latest practicable date prior to the printing of this circular.
“Main LR”	:	Main Market Listing Requirements of Bursa Securities, as amended from time to time.
“Major Shareholder”	:	<p>A person who has an interest or interests in one or more voting shares in a corporation, and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:</p> <p>(i) 10% or more of the aggregate of the nominal amounts of all voting shares in the corporation; or</p> <p>(ii) where such person is the largest shareholder of the corporation, 5% or more of the aggregate of the nominal amounts of all voting shares in the corporation;</p> <p>and for the purposes of the Proposed Shareholders’ Mandate, and in respect of any particular transaction, includes any person who is or was, within the six-month period preceding the date on which the terms of that transaction were agreed upon, a Major Shareholder of Axiata or its subsidiary or holding company. For the purposes hereof, an interest in a share shall be determined by reference to section 6A of the Act. “Major Shareholders” shall be construed accordingly.</p>
“PKR”	:	Pakistani Rupee.
“PN 12”	:	Practice Note 12 of the Main LR.
“Proposed Shareholders’ Mandate”	:	Proposed shareholders’ mandate for RRPTs to be entered into by the Axiata Group as described in section 2.4 of this circular and Appendix I.
“Related Party”	:	A Director, Major Shareholder, or Person Connected with such Director or Major Shareholder, and “Related Parties” shall be construed accordingly.
“Related Party Transaction”	:	A transaction entered into by Axiata or a subsidiary of Axiata which involves the interest, direct or indirect, of a Related Party.
“RM”	:	Ringgit Malaysia.
“RRPT”	:	A Related Party Transaction which is recurrent, of a revenue or trading nature, and which is necessary for the day-to-day operations of a listed issuer and its subsidiaries, and “RRPTs” shall be construed accordingly.
“TM”	:	Telekom Malaysia Berhad.
“TM Group”	:	Telekom Malaysia and its subsidiaries, collectively.

“USD” : United States Dollar.

“VAT” : Value added tax.

All references in this circular to “we”, “us”, “our” and “ourselves” are to Axiata and, where the context requires, to Axiata and its subsidiaries collectively. All references to “you” in this circular are to the shareholders of Axiata.

In this circular, words importing the singular shall, where applicable, include the plural and vice versa and words importing any gender shall, where applicable, include all genders.

In this circular, all references to a person shall include a reference to corporations.

All references to time in this circular are references to Malaysian time, unless otherwise stated. Unless otherwise expressly provided herein, references in this circular to sections and Appendices are to the relevant sections and appendices of and to this circular.

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**AXIATA GROUP BERHAD**  
(242188-H)

(Incorporated in Malaysia under the Companies Act, 1965)

**Registered office:**

Level 5, Corporate Headquarters,  
Axiata Tower,  
9, Jalan Stesen Sentral 5,  
Kuala Lumpur Sentral,  
50470 Kuala Lumpur,  
Malaysia.

28 April 2015

**Board of Directors:**

Tan Sri Dato' Azman Hj Mokhtar (*Chairman, Non-Independent Non-Executive Director*)  
Dato' Sri Jamaludin Ibrahim (*Managing Director/President & Group Chief Executive Officer*)  
Tan Sri Ghazzali Sheikh Abdul Khalid (*Independent Non-Executive Director*)  
Datuk Azzat Kamaludin (*Senior Independent Non-Executive Director*)  
Dato' Abdul Rahman Ahmad (*Independent Non-Executive Director*)  
David Lau Nai Pek (*Independent Non-Executive Director*)  
Juan Villalonga Navarro (*Independent Non-Executive Director*)  
Bella Ann Almeida (*Independent Non-Executive Director*)  
Dr Muhamad Chatib Basri (*Independent Non-Executive Director*)  
Kenneth Shen (*Non-Independent Non-Executive Director*)

Dear shareholder:

**Proposed Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature**

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**1. Introduction**

At the last AGM held on 28 May 2014, we had obtained a mandate from our shareholders for us to enter into RRPTs with our Related Parties as set out in the circular to shareholders dated 6 May 2014. This shareholders' mandate shall, in accordance with the provisions of the Main LR, lapse at the conclusion of the forthcoming 23rd AGM unless we, at that same 23rd AGM, again procure a mandate from you for us to enter into RRPTs with our Related Parties. Your Board of Directors had, on 24 February 2015, announced that we will be seeking your approval for the Proposed Shareholders' Mandate, at the forthcoming 23rd AGM.

The purpose of this circular is to provide you with the relevant information on the Proposed Shareholders' Mandate and in relation thereto, to seek your approval for ordinary resolution 9 which is to be tabled as special business at the forthcoming 23rd AGM. This circular is despatched together with the notice of the 23rd AGM of Axiata and the proxy form as enclosed in our Annual Report 2014.

**Please read and consider carefully the contents of this circular before voting on the resolutions pertaining to the Proposed Shareholders' Mandate.**

## **2. Details Of The Proposed Shareholders' Mandate**

### **2.1 Provisions Of The Main LR**

- (a) Paragraph 10.09(1), Part E, Chapter 10 of the Main LR provides, among others, that a listed issuer must immediately announce a RRPT in the event that:
- (i) the consideration, value of the assets, capital outlay or cost of the RRPT is RM1 million or more; or
  - (ii) the percentage ratios of such RRPT is 1% or more;
- whichever is the higher.
- (b) Under paragraph 10.09(2) of the Main LR, a listed issuer may seek a mandate from its shareholders for RRPTs to be entered into by the listed issuer or its subsidiaries, subject to the following:
- (i) The transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public.
  - (ii) The shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or exceeds the applicable prescribed threshold under paragraph 10.09(1) of the Main LR.
  - (iii) The listed issuer's circular to shareholders for the shareholders' mandate includes such information as may be prescribed by Bursa Securities.
  - (iv) In a meeting to obtain the shareholders' mandate:
    - (I) a Related Party with any interest, direct or indirect, in a RRPT that is subject to such mandate ("Interested Related Party") must not vote on the resolution to approve the shareholders' mandate and the RRPT;
    - (II) an Interested Related Party who is a Director or Major Shareholder must ensure that Persons Connected with it abstain from voting on the resolution to approve the shareholders' mandate and the RRPT; and
    - (III) where the Interested Related Party is a Person Connected with a Director or Major Shareholder with any interest, direct or indirect, in a RRPT that is subject to such mandate, such person must not vote on the resolution to approve the shareholders' mandate and the RRPT.
  - (v) The listed issuer must immediately announce to Bursa Securities when the actual value of a RRPT entered into by the listed issuer exceeds the estimated value of the RRPT as disclosed in this circular by 10% or more and must include such information as may be prescribed by Bursa Securities in its announcement.
- (c) In accordance with paragraph 3.1.4 of PN 12, the Proposed Shareholders' Mandate, if approved by you at the 23rd AGM, is subject to annual renewal and shall only continue to be in force until:
- (i) the conclusion of our next AGM following the 23rd AGM at which the Proposed Shareholders' Mandate was passed, at which time the authority will lapse, unless the authority is renewed by a resolution passed at this next AGM;

- (ii) the expiration of the period within which our next AGM is required to be held under section 143(1) of the Act (but must not extend to such extension as may be allowed under section 143(2) of the Act); or
- (iii) revoked or varied by resolution passed by you at a general meeting;

whichever is the earlier.

- (d) Pursuant to paragraph 3.1.5 of PN 12, disclosure of the aggregate value of RRPTs conducted pursuant to the Proposed Shareholders' Mandate will be made in our next annual report, together with the breakdown of the aggregate value of the RRPTs made during the financial year, based on (among other things) the following:
  - (i) the type of RRPTs made; and
  - (ii) the names of the Related Parties involved in each type of RRPTs made and their relationship with us.

## 2.2 Our Principal Activities

The principal activities of the Group are the provision of mobile communication services and network transmission related services. The principal activities of the Company are investment holding and provision of technical and management services on an international scale, where it has investments in subsidiaries, jointly controlled entities and associates. The principal activities of the subsidiaries are mainly the provision of mobile communication services and network transmission related services.

## 2.3 Related Parties

The Proposed Shareholders' Mandate will apply to the following classes of Related Parties:

- (a) our Major Shareholders and Connected Persons of our Major Shareholders; and
- (b) our Directors and Connected Persons of our Directors.

## 2.4 RRPTs

The details of the RRPTs under the Proposed Shareholders' Mandate are described in Appendix I.

## 2.5 Details Of Overdue Trade Receivables

The details of our Company's and our subsidiaries' trade receivables pursuant to RRPT which exceeded the credit term for the following periods as at the end of the financial year ended 31 December 2014 are as set forth below:

Amount in RM('000)	Aging of the Outstanding Amount			
	< 1 year	1 < 3 years	3 < 5 years	> 5 years
<b>Revenue to Axiata Group</b>				
Interconnect payment from TMB Group	8,073	0	0	0
Transmission revenue on the services by Axiata Group to TM	4	0	0	0
Leased-line costs to TMB Group	1,341	37	0	0
<b>GRAND TOTAL</b>	<b>9,418</b>	<b>37</b>	<b>0</b>	<b>0</b>

There are no late payment charges on the overdue trade receivables as the Group has decided not to impose any late payment charges. The management of the Company has and will continue to meet and discuss with the relevant Related Parties to pursue for early settlement of the outstanding amounts due. The Board Audit Committee and the Board have reviewed the outstanding amounts, and are of the opinion that the outstanding amounts were part of normal business operations of the Group and are recoverable. In addition, the management is of the view that the Related Parties are long term business counter-parties and have sound credit standing.

## **2.6 Review Procedures For The RRPTs**

To ensure that the RRPTs are undertaken on an arm's length basis, are on terms not more favourable to the Related Parties than those generally available to the public, and are not to the detriment of our minority shareholders, our Board Audit Committee has been tasked with the review and approval of such transactions.

Our Board Audit Committee currently comprises of David Lau Nai Pek (Chairman), Datuk Azzat Kamaludin, Juan Villalonga Navarro and Kenneth Shen.

We have established the following procedures and guidelines for the review and approval of RRPTs:

- (a) A list of Related Parties is established and made available to the chief financial officers or heads of the financial divisions (as the case may be) of each operating unit and subsidiary in our Group, who shall monitor and ensure that all RRPTs to be entered into by us or our subsidiary are required to be undertaken on an arm's length basis, on terms which are not more favourable to the Related Parties than those generally available to the public and which are not to the detriment of our minority shareholders.
- (b) Our operating units and our subsidiaries are made aware of the requirement to monitor, and shall put in place processes or systems to record and report on all RRPTs for compilation and reporting to our Group Finance division.
- (c) Our operating units and subsidiaries must ensure that proper records and supporting documents of the RRPTs are maintained so that all RRPTs entered into pursuant to the Proposed Shareholders' Mandate will be adequately disclosed.
- (d) The processes and procedures are in place to ensure RRPTs are entered into after taking into account the pricing and contract rates, terms and conditions, level of service and expertise required, and the quality of products and services provided, as compared with prevailing market prices and rates, industry norms and standards, as well as general practices, adopted by service providers of similar capacities and capabilities generally available in the open market.
- (e) Our annual internal audit plan shall incorporate a review of all RRPTs entered into or to be entered into under the Proposed Shareholders' Mandate, to ensure that all the relevant approvals for the RRPTs have been obtained, or that they are duly ratified, and the review procedures in respect of such transactions are adhered to.
- (f) All RRPTs must be reviewed by our internal auditor, and presented at Board Audit Committee meetings. Our Board Audit Committee has the right to access information concerning our Related Parties, and is entitled to the services of any independent adviser, if required, for the discharge of its duties.
- (g) Our Board Audit Committee shall review, on annual basis, the internal audit reports pertaining to the RRPTs to ascertain that the guidelines and procedures established to monitor the RRPTs have been complied with.

- (h) Our Board and Board Audit Committee have overall responsibility for determining whether the guidelines and procedures on the RRPTs are appropriate and sufficient. An annual review of the RRPT processes and procedures will be carried out by our Board through the Board Audit Committee. If, during the annual review, the Board and the Board Audit Committee are of the view that the RRPT processes and procedures are:
- (i) no longer valid; or
  - (ii) insufficient to ensure that the RRPTs are made on an arm's length basis or on terms not more favourable to the Related Parties than those generally available to the public and not to the detriment of our minority shareholders;

then, they shall have the discretion to discharge, vary, modify existing guidelines and procedures, or implement new or additional guidelines and procedures, without management's prior approval, provided that such amended, varied, modified, new or additional guidelines and procedures are no less stringent than the existing guidelines and procedures.

- (i) Where any of our Board or Board Audit Committee members has an interest (direct or indirect) in an RRPT, he must declare his interest in the RRPT and abstain from participating in the decision of the Board or Board Audit Committee on the said RRPT.

All transactions (including RRPTs) are subject to approvals based on our Group's LOA. The LOA, which have been duly approved by the respective boards of directors of our Group, contain the prescribed approval limits (including thresholds for board of directors' approvals) determined based on grounds of practicality from the business and operational viewpoint unique to Axiata Group. The threshold for the utilisation of the approved mandate is also subject to the LOA prior to the award of contracts in relation to the transactions contemplated under the Proposed Shareholders' Mandate.

Under normal circumstances, procurement is conducted in line with guidelines set by our Procurement Division, which would require comparisons of at least three quotations for the same, or substantially similar types of, products, services, and the same (or substantially similar) quantity of products or services, from third parties. However, given the nature and type of transactions that we enter into, in a number of occasions, it is not possible to find at least two other similar or contemporaneous transactions with unrelated third parties for similar products, services or quantities thereof which can be used as comparison to determine whether the prices and terms offered to or by Axiata by or to our Related Parties, as the case may be, are fair and reasonable and comparable to those offered to or by other unrelated parties.

In these instances, prices are determined based on market knowledge and on normal commercial terms in accordance with our Group policies, which require (among others) that transactions with Related Parties are undertaken on arms' length basis, are carried out on normal commercial terms and are not detrimental to the minority shareholders of Axiata.

Besides pricing, we also have a procurement policy that priority of, and selection of, vendors and suppliers are not based on pricing alone, but also on other intrinsic factors, such as quality and nature of goods or services, reliability, lead time and all other relevant business circumstances and considerations.

## **2.7 Statement By The Board Audit Committee**

Our Board Audit Committee has seen and reviewed the procedures described in section 2.6 and is of the opinion that these procedures are adequate and sufficient to monitor, track and identify RRPTs in a timely and orderly manner, and to ensure that RRPTs are on an arm's length basis, are on terms that are not more favourable to the Related Parties than those generally available to the public, and are not to the detriment of our minority shareholders.

## 2.8 Rationale For And Benefits Of The Proposed Shareholders' Mandate

The RRPTs that have been entered into and that will be entered into by our Group are necessary for our business, and are intended to meet our business needs on the best possible terms.

We should be able to have access to all available markets, products and services provided by all vendors including Related Parties, and to provide products and services to all persons, including our Related Parties. This will enhance our ability to explore beneficial opportunities as well as to promote cross-selling which is beneficial to our Group.

The RRPTs are likely to continue in the future on a frequent and recurrent basis from time to time. In addition, these transactions may be constrained by the time-sensitive nature and confidentiality of such transactions, and it may be impractical to seek your prior approval on a case-by-case basis before entering into such transactions. The Proposed Shareholders' Mandate will, therefore, substantially reduce the expenses relating to the convening of general meetings on an ad hoc basis, and improve administrative efficiency.

The RRPTs are transactions in the ordinary course of our business, are made on an arm's length basis, are on terms not more favourable to the Related Parties than those generally available to the public, and are not to the detriment of our minority shareholders.

## 2.9 Interests Of Directors, Major Shareholders And Persons Connected To Them

Save for those disclosed below, none of our Major Shareholders and their Connected Persons, and Directors and their Connected Persons, have any interest, direct or indirect, in the Proposed Shareholders' Mandate. Their direct and indirect shareholdings in our Company, based on the register of substantial shareholders as of the LPD are as set forth:

Interested parties	Direct		Indirect	
	Number of Axiata Shares	%	Number of Axiata Shares	%
<b>Major Shareholders</b>				
Khazanah Nasional	3,238,919,155	37.70	84,415,540 <sup>±</sup>	0.98

<sup>±</sup> Includes 274,700 Axiata Shares being the outstanding number of Axiata Shares to be returned to Khazanah Nasional under a selling flexibility arrangement to facilitate the sale of Axiata Shares by Axiata's employees who have exercised their Axiata ESOS options. Khazanah Nasional is deemed to have interest in the Axiata Shares pursuant to section 6A of the Act.

Khazanah Nasional, being a Major Shareholder of our Company, is deemed interested in the Proposed Shareholders' Mandate.

Our Directors, Tan Sri Dato' Azman Hj Mokhtar (who is also the Managing Director of Khazanah Nasional) and Kenneth Shen (Executive Director of Investment of Khazanah Nasional) (collectively referred to as the "Representative Directors"), are Khazanah Nasional's representatives on our Board and accordingly, have abstained and will continue to abstain from deliberating and voting on the Proposed Shareholders' Mandate at our Company's relevant Board meetings. None of the Representative Directors have any direct or indirect interest in the Company.

Khazanah Nasional and the Representative Directors will abstain from voting in respect of their direct or indirect shareholdings in our Company (if any) on the resolution pertaining to the Proposed Shareholders' Mandate to be tabled at our forthcoming AGM and have also undertaken to ensure that Persons Connected to them will abstain from voting in respect of their direct or indirect shareholdings in our Company (if any), deliberating or approving the resolution pertaining to the Proposed Shareholders' Mandate to be tabled at our forthcoming AGM.

### **3. Effects Of The Proposed Shareholders' Mandate**

The Proposed Shareholders' Mandate is not expected to have any effect on our issued and paid-up capital or the shareholdings of our substantial shareholders. However, the Proposed Shareholders' Mandate may have a material effect on our consolidated net assets and consolidated earnings for the financial year ending 31 December 2015.

### **4. Approvals Required**

The Proposed Shareholders' Mandate is subject to your approval at our forthcoming 23rd AGM.

### **5. Directors' Recommendation**

Our Board (save for Tan Sri Dato' Azman Hj. Mokhtar and Kenneth Shen, who have abstained from deliberation and voting in respect of the Proposed Shareholders' Mandate), having considered all aspects of the Proposed Shareholders' Mandate, is of the opinion that the Proposed Shareholders' Mandate is in the best interest of our Company and recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Shareholders' Mandate at our forthcoming AGM.

### **6. AGM**

The resolution in respect of the Proposed Shareholders' Mandate will be tabled at the forthcoming AGM. This circular is despatched together with the notice of the 23rd AGM of Axiata and the proxy form as enclosed in our Annual Report 2014.

The 23rd AGM will be held on Wednesday, 20 May 2015, at 10.00 a.m. or at any adjournment, at Nexus Ballroom 2 & 3, Level 3A, Connexion@Nexus, No. 7 Jalan Kerinchi, Bangsar South City, 59200 Kuala Lumpur, Malaysia.

If you are unable to attend and vote in person at the AGM, please complete, execute and return the proxy form, in accordance with the instructions therein, to our share registrar Tricor Investor Services Sdn. Bhd. at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia as soon as possible and in any event not less than forty-eight hours before the time of the 23rd AGM. You may attend and vote in person at our forthcoming AGM if you wish to do so even after you have completed and returned the proxy form so long as you revoke the appointment of your proxy prior to the AGM.

### **7. Further Information**

Please refer to Appendix I and Appendix II for further information.

Yours faithfully,  
For and on behalf of the Board of Directors of  
**AXIATA GROUP BERHAD**

**DAVID LAU NAI PEK**  
Independent Non-Executive Director/  
Chairman, Board Audit Committee

**Appendix I: Details Of RRPTs To Be Entered Into With Our Related Parties**

Transacting Companies in our Group	Transacting Related Parties	Interested Major Shareholder/ Director	Nature of Relationship	Nature of RRPT	2014 Shareholders' Mandate		Estimated value of the Proposed Shareholders' Mandate (RM'000) <sup>(2)</sup>
					Estimated Value (RM' 000)	Actual Value (RM' 000) <sup>(1)</sup>	
Axiata Group	TM Group	Khazanah, Tan Sri Dato' Azman Hj Mokhtar and Kenneth Shen	In addition to Khazanah's shareholdings in our Company, Khazanah is also the Major Shareholder of TM.  Tan Sri Dato' Azman Hj Mokhtar and Kenneth Shen are Khazanah's representatives on our Board.	<b>Revenue</b> <b>Telecommunication and related services</b>  Interconnect payment from TM Group  Leased-line payment from TM Group  Voice Over Internet Protocol related services revenue from TM Group  Dark fibre and leased-line from Celcom Group to Fibrecomm Network (M) Sdn. Bhd.  Leased-line from Celcom Group to Fiberail Sdn. Bhd.  Transmission revenue on the services by Axiata Group to TM <sup>(3)</sup>  Site rental payable for telecommunication infrastructure, equipment and related charges by TM Group to Axiata Group <sup>(4)</sup>	55,000  5,000  26,000  1,300  1,000  1,500  2,600	38,172  3,560  16,665  567  612  6,964  3,936	52,000  6,000  26,000  1,000  1,000  4,000  8,000

Transacting Companies in our Group	Transacting Related Parties	Interested Major Shareholder/ Director	Nature of Relationship	Nature of RRPT	2014 Shareholders' Mandate		Estimated value of the Proposed Shareholders' Mandate (RM'000) <sup>(2)</sup>
					Estimated Value (RM' 000)	Actual Value (RM' 000) <sup>(1)</sup>	
Axiata Group	TM Group	Khazanah, Tan Sri Dato' Azman Hj Mokhtar and Kenneth Shen	In addition to Khazanah's shareholdings in our Company, Khazanah is also the Major Shareholder of TM.	<b>Costs</b> <b>Telecommunication and related services</b>			
		Tan Sri Dato' Azman Hj Mokhtar and Kenneth Shen are Khazanah's representatives on our Board.		Interconnect cost to TM Group	55,000	33,053	52,000
				Voice Over Internet Protocol related services by TM Group to our Group	38,000	25,101	38,000
				Leased-line related costs to TM Group	35,000	19,237	30,000
				Provision of data and bandwidth related services by TM Group to our Group	51,000	28,481	45,000
				Internet access and broadband charges by TM Group to Celcom Group	1,800	1,044	500
				Commission on registration and collection to TM Group by Celcom Group	1,800	0	0
				Provision of contact centre and business process outsourcing services by VADS Berhad to our Group	98,000	76,184	98,000

Transacting Companies in our Group	Transacting Related Parties	Interested Major Shareholder/ Director	Nature of Relationship	Nature of RRPT	2014 Shareholders' Mandate		Estimated value of the Proposed Shareholders' Mandate (RM'000) <sup>(2)</sup>
					Estimated Value (RM' 000)	Actual Value (RM' 000) <sup>(1)</sup>	
Axiata Group	TM Group	Khazanah, Tan Sri Dato' Azman Hj Mokhtar and Kenneth Shen	In addition to Khazanah's shareholdings in our Company, Khazanah is also the Major Shareholder of TM.	Leasing of fibre optic core and provision of bandwidth services from Fiberail Sdn. Bhd. to Celcom Group	9,800	5,469	2,500
			Tan Sri Dato' Azman Hj Mokhtar and Kenneth Shen are Khazanah's representatives on our Board.	Purchase of dark fibre, bandwidth, space & facility from Fibrecomm Network (M) Sdn. Bhd. to Celcom Group	20,000	3,538	20,000
				<b>Non-telecommunication services</b>	38,000	34,945	38,000
				Site rental payable for telecommunication infrastructure, equipment and related charges by Axiata Group to TM Group			
				Rental of office premises payable monthly by Axiata Group to TM	16,000	13,440	16,000
				TOTAL	456,800	310,966	438,000

**Notes:**

- (1) The actual value represent RRPT transacted from 28 May 2014 for which the 2014 Shareholders' Mandate was granted, up to the 31 March 2015. The aggregate actual values transacted did not exceed the aggregated estimated values by 10% or more.
- (2) The estimated transactions from 20 May 2015 (date of our forthcoming AGM) for an estimated validity period of 1 year are based on best estimates by our management using historical trends and projected business transaction growth. The actual value may vary, exceed or be lower than, the estimates shown above.
- (3) Transmission revenue has exceeded the mandated amount due to a one-off revenue RM2.9 million charged under Celcom Axiata Berhad instead of Celcom Mobile Sdn. Bhd.
- (4) Site rental payable has exceeded the mandated amount due to colocation by TM starting from the second quarter of 2014.

## Appendix II: Further Information

### 1. Responsibility Statement

Our Directors have seen and approved this circular, and they collectively and individually accept full responsibility for the accuracy of the information contained in this circular. Our Directors confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, there are no false or misleading statements, or other facts which, if omitted, would make any statement in this circular false or misleading.

### 2. Material Contracts

Neither we nor any of our subsidiaries have entered into any contract outside the ordinary course of business which are or may be material during the two years immediately preceding the date of this circular, save as follows:

- (a) PT XL Axiata Tbk ("**XL**") had on 26 September 2013 entered into a conditional sale and purchase agreement with Saudi Telecom Company ("**STC**") and Teleglobal Investments B.V. ("**Teleglobal**") (a 100%-owned subsidiary of STC) to purchase (or procure the purchase of) the entire issued and paid-up share capital of PT AXIS Telekom Indonesia ("**Axis**") for a cash consideration of USD100.00. As part of the consideration, XL will procure the repayment of approximately USD865 million of Axis' indebtedness. The proposed acquisition is conditional upon the conditions set out in the agreement being fulfilled or waived. For the purpose of financing the acquisition cost, XL secured loans from its shareholders in the amount of USD500 million. The remaining USD365 million was secured from internally generated funds of XL and third party lenders. The sale and purchase transaction was completed on 19 March 2014.
- (b) A share purchase agreement dated 31 December 2013 was entered into between Celcom Resources Berhad ("**Celcom Resources**") and edotco Group Sdn. Bhd. ("**Edotco Group**") whereby Celcom Resources had agreed to sell, convey, assign, transfer and deliver to Edotco Group, and Edotco Group had agreed to purchase and take assignment, transfer and delivery of, 3,000,000 ordinary shares of par value RM1.00 each (representing the entire issued and paid-up share capital) of Edotco Malaysia Sdn. Bhd. free from all encumbrances and with all rights, benefits and advantages attaching thereto, including, but without limitation, all bonuses, rights, dividends and distributions declared made and paid, for a cash consideration of RM1,047,000,000.00. The sale and purchase transaction was completed on 2 June 2014.
- (c) An asset purchase agreement dated 30 September 2014 was entered into between XL and PT Solusi Tunas Pratama Tbk ("**STP**") where XL agreed to sell, transfer and assign to STP, and STP agreed to purchase and accept the transfer and assignment from XL of all of XL's rights, title and interest in and to 3,500 telecommunication towers with all related equipment located on a leased property in Indonesia, at the cash consideration of IDR5.6 trillion. The sale and purchase transaction was completed on 23 December 2014.

### 3. Material Litigation

Save as disclosed below, neither our Company nor our subsidiaries are engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which has a material effect on the financial position or business of our Group and our Board is not aware of any proceedings pending or threatened against our Group or of any fact likely to give rise to any proceedings which may materially and adversely affect the financial position or business of our Group.

(a) **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 and its directors to void and rescind the indemnity letter and claim for damages.

Celcom Trading, Celcom Resources and the directors filed their respective applications to strike out TSDTR’s counterclaim and such applications 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 their pleadings on 13 May 2013. The matter was fixed for case management on 2 December 2013 in preparation for the trial.

The Court has further fixed this matter for trial on 28 April 2014, 29 April 2014, 5 May 2014, 6 May 2014 and 8 May 2014.

The matter was partially heard on 3 November 2014 to 6 November 2014 and was thereafter adjourned for continued trial on 13 April 2015 to 17 April 2015.

Celcom and its solicitors believe that the prospects of successfully prosecuting Celcom Trading’s claim and resisting the counterclaim are reasonable.

(b) **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) Bistamam Ramli (“**BR**”); (iii) Dato’ Lim Kheng Yew (“**DLKY**”); (iv) Axel Hass (“**AH**”); and (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 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 April 2014 and 9 April 2015, TSDTR, BR, AH, OTA and DeTeAsia had respectively filed an application for leave to appeal to the Federal Court against the decision of the Court of Appeal dated 11 March 2014. The hearing of their application for leave to appeal to the Federal Court has been fixed for 27 May 2015. The matter in the High Court has been fixed for case management on 3 June 2015.

Celcom and its solicitors believe that Celcom and Celcom Resources have reasonable prospects of successfully prosecuting these proceedings.

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.

**(c) Celcom & Another vs TSDTR & 8 Others**

Pursuant to an award granted by the arbitral tribunal to DeTeAsia on 2 August 2005 ("**Award**"), 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 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; and 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 on 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 April 2014 and 9 April 2014, TSDTR, BR and the German directors had respectively filed an application for leave to appeal to the Federal Court against the decision of the Court of Appeal dated 11 March 2014. The hearing of their application for leave to appeal to the Federal Court has been fixed for 27 May 2015. The matter in the High Court has been fixed for case management on 3 June 2015.

Celcom and its solicitors believe that Celcom and Celcom Resources have reasonable prospects of successfully prosecuting these proceedings.

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.

**(d) Claim on Robi Axiata Limited (“Robi”) by National Board of Revenue (“NBR”)**

The Large Tax Unit (“LTU”) of the NBR of Bangladesh, had 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 is 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.

Robi is of the view that it has reasonable prospect of defending this claim.

**(e) Claim by Comptroller and Auditor-General (“CAG”) Against Robi**

CAG claimed BDT4,086.4 million as 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, Local and Revenue Audit Department, 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. This suit is pending a hearing, the date of which has yet to be fixed.

Robi is of the view that it has reasonable prospect of defending this claim.

**(f) Access Promotion Contribution of Multinet Pakistan (Private) Limited (“Multinet”)**

Multinet has on 19 September 2011, initiated a legal suit against the Pakistan Telecommunication Authority (“PTA”), Federation of Pakistan, Ministry of Information Technology and Universal Service Fund (USF) Company to recover approximately PKR8.0 billion as actual damages for alleged illegal suspension of its license as well as the recovery of the past Access Promotion Charges made by Multinet and a further punitive damages of PKR10.0 billion.

The legal suit is still pending but is currently dormant as the PTA has ceased demanding for the disputed payments since the implementation of the International Clearing House Agreement on 30 August 2012 which is a multiparty agreement between the Ministry of Information Technology, PTA and 14 long distance operators (including Multinet).

Multinet and its solicitors strongly believe that the case will be decided in its favour.

**(g) 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 and this matter is fixed for hearing on 15 June 2015.

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 was 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.

DBN and its solicitors believe that DBN has a reasonable chance of succeeding at the appeal made to the Supreme Court of Sri Lanka.

#### **4. Documents For Inspection**

Copies of the following documents may be inspected at our registered office at Level 5, Corporate Headquarters, Axiata Tower, 9, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia during office hours, Mondays to Fridays (except public holidays), from the date of this circular up to and including the date of the 23rd AGM:

- (a) our memorandum and articles of association;
- (b) our audited consolidated financial statements for the past two financial years ended 31 December 2013 and 31 December 2014;
- (c) the material contracts referred to in section 2 of Appendix II; and
- (d) the cause papers for the material litigation referred to in section 3 of Appendix II.