

# **MATERIAL CONTRACT SIGNING OF ACCESS AGREEMENT BY CELCOM NETWORKS SDN BHD WITH DIGITAL NASIONAL BERHAD (“DNB”).**

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## **1.0 INTRODUCTION**

Axiata Group Berhad (“**Axiata**”) is pleased to announce that Celcom Networks Sdn Bhd, its wholly owned subsidiary held through Celcom Axiata Berhad (together “**Celcom**”), has entered into an Access Agreement with Digital Nasional Berhad (“**DNB**”) (“**Agreement**”) to allow Celcom wholesale access to DNB’s 5G network.

## **2.0 INFORMATION OF THE PARTIES**

### **2.1 Celcom Networks Sdn Bhd**

Celcom Networks Sdn Bhd is a private limited company duly incorporated in Malaysia on 30 March 1990 with an issued and fully paid share capital of RM 2,575,000,000 comprising 535,000,000 ordinary shares of which have been issued and fully paid up.

The principal activities of Celcom are Network Telecommunications, Capacity and Services.

### **2.2 DNB**

DNB is a company incorporated in Malaysia and is currently a wholly owned subsidiary of the Minister of Finance (Incorporated) (“**MOF Inc.**”). DNB has been mandated to deploy Malaysia’s 5G network on an accelerated schedule. DNB will exclusively own, build and manage the 5G network, and provide wholesale 5G services to licensed service providers in Malaysia. DNB is licenced as a telecommunications network and services operator by the industry regulator, the Malaysian Communications and Multimedia Commission (“**MCMC**”).

## **3.0 SALIENT TERMS OF THE AGREEMENT**

Celcom will access DNB’s 5G network under the Agreement for a period of 10 years. Under the Agreement, there is no charge to be incurred in 2022. The DNB Reference Access Offer published on the DNB website (available here: <https://www.digital-nasional.com.my/rao>) (“**RAO**”) sets out the salient terms and conditions subject to which network facilities and network services will be provided by DNB to Celcom. The RAO may be updated or replaced from time to time in which case the Agreement will be governed by and incorporate the terms and conditions of the RAO published on the DNB Website.

## **4.0 RATIONALE FOR THE AGREEMENT**

As one of the leading telecom service providers in the country, Celcom strives to serve their customers with the latest technology, and the Agreement will enable Celcom to provide 5G services to its customers.

## **5.0 FINANCIAL EFFECTS OF THE AGREEMENT**

The Agreement does not have any effect on the share capital and shareholding structure of Axiata and it is not expected to have any material impact on the earnings and net assets of Axiata Group for the financial year ending 2022. However, it is expected to affect Axiata Group’s earnings from 2023 onwards.

## **6.0 RISKS**

The risk factors affecting the Agreement includes changes in economic, political and regulatory environment and operational risks in executing this Agreement, which the Group would take appropriate measures to minimise.

## **7.0 APPROVAL / CONSENT REQUIRED**

The Agreement is not subject to the approval of the shareholders of Axiata or any other government authorities. However, in view of the recurring nature of the transactions under the Agreement, which will arise periodically in the course of three (3) years from its signing and being a transaction of a revenue nature necessary for the day-to-day business of Celcom, Axiata intends, if applicable thereat, to seek its shareholders' approval for a mandate for this recurring related party transaction at a general meeting to be convened.

## **8.0 INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED**

Save as disclosed below, none of our directors, major shareholders and/or persons connected to them have any interest, direct or indirect in the Agreement:

- a) MOF Inc, a body corporate established under the Minister of Finance (Incorporation) Act, 1957, is the holding company of DNB and Khazanah Nasional Berhad ("**Khazanah**");
- b) Khazanah is a major shareholder of Axiata with an equity interest of 36.74%; and
- c) Our Director, Ong King How (Director of Investments at Khazanah) and his Alternate Director, Eysa Zulkifli (Senior Vice President of Investments at Khazanah), who are full-time executives of Khazanah, are Khazanah's representatives on Axiata Board ("**Interested Directors**").

## **9.0 BOARD AUDIT COMMITTEE AND BOARD OF DIRECTORS' STATEMENT**

The Board Audit Committee of Axiata is of the view that the Agreement is in the best interest of the Axiata Group and is fair, reasonable and on normal commercial terms and it is not detrimental to the interest of the minority shareholders.

The Board of Axiata (save for the Interested Directors) after having considered all aspects, is of the opinion that the Agreement is in the best interest of Axiata and its shareholders.

## **10.0 TRANSACTION WITH THE SAME RELATED PARTY FOR THE PRECEDING 12 MONTHS**

Save for the agreement for equity investment into DNB announced on 7 October 2022 and this Agreement, there were no other material transactions entered into between Axiata Group with the same related party for the 12 months preceding the date of this announcement.

This announcement is dated 31 October 2022.