

MAXIS BERHAD (“MAXIS” OR “COMPANY”)

PROPOSED PRIVATE PLACEMENT OF NEW ORDINARY SHARES IN MAXIS (“MAXIS SHARES”) AT AN ISSUE PRICE TO BE DETERMINED LATER (“PROPOSED PRIVATE PLACEMENT”)

1. INTRODUCTION

On behalf of the Board of Directors of Maxis (“**Board**”), CIMB Investment Bank Berhad (“**CIMB**”) is pleased to announce that Maxis proposes to undertake the Proposed Private Placement pursuant to the shareholders’ mandate obtained at Maxis’ annual general meeting held on 26 April 2017 (“**AGM**”) under Sections 75 and 76 of the Companies Act, 2016.

2. DETAILS OF THE PROPOSED PRIVATE PLACEMENT

2.1 Size of the Proposed Private Placement and pricing for the Placement Shares

Maxis proposes to issue 300,000,000 new Maxis Shares (“**Placement Shares**”) under the Proposed Private Placement to investors to be identified via book-building to be carried out today. This represents approximately 4.0% of the total number of issued shares of Maxis as at 16 June 2017, being the last trading day immediately prior to the date of this Announcement (“**LPD**”), of 7,510,510,600 Maxis Shares.

The Placement Shares will be offered to persons falling within Schedule 6 (or Section 229(1)(b)) and/or Schedule 7 (or Section 230(1)(b)) of the Capital Markets and Services Act 2007. The Placement Shares will not be registered under the United States of America (“**United States**”) Securities Act of 1933, as amended (the “**Securities Act**”) and may only be offered and sold outside the United States in accordance with Regulation S of the Securities Act and within the United States solely to certain qualified institutional buyers as defined in Rule 144A under the Securities Act.

The precise terms and conditions such as the identity of the placees, number of Placement Shares to be allocated and the issue price for the Placement Shares will only be determined upon completion of the book-building exercise for the Proposed Private Placement.

The issue price for the Placement Shares will be determined by way of book-building and shall be fixed at a price which is not more than 10% discount to the volume weighted average market price (“**VWAP**”) of Maxis Shares for the five (5) market days immediately prior to the date of book-building. For illustrative purposes only, assuming a 10% discount to the five (5)-day VWAP of Maxis Shares up to and including the LPD of RM6.0819, the indicative issue price for the Placement Shares would be RM5.47 per Placement Share.

2.2 Ranking and listing status of the Placement Shares

The Placement Shares shall, upon allotment and issuance, rank pari passu in all respects with the then existing issued Maxis Shares save and except that they shall not be entitled to any dividends, rights, allotments and/or any other distributions, unless the allotment and issue of the Placement Shares were made on or prior to the entitlement date of such dividends, rights, allotments and/or other distributions.

Subject to the approval of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), the Placement Shares will be listed on the Main Market of Bursa Securities.

2.3 Waiver in relation to placement to certain major shareholders

Maxis had on 16 June 2017 obtained a waiver from Bursa Securities from having to comply with Paragraph 6.04(c) of the Main Market Listing Requirements of Bursa Securities (“**Waiver**”), subject to the following conditions:

- (i) Proposed Private Placement is to be carried out on a book-build basis;
- (ii) Maxis to ensure that the public shareholding spread as required under Paragraph 8.02(1) of the Main Market Listing Requirements of Bursa Securities is not compromised as a result of the Waiver; and

the Waiver shall only be applicable to the major shareholders of Maxis, who satisfy the following conditions:

- (i) the major shareholder is not the largest shareholder of Maxis;
- (ii) the major shareholder is not an initiator, agent or involved in any other manner in the Proposed Private Placement save for its participation in the book-build exercise and acquisition of the Placement Shares (if any);
- (iii) the major shareholder does not have any representative on the Board; and
- (iv) the major shareholder is:
 - (a) a statutory institution who is managing funds belonging to the general public;
 - (b) a closed end fund, unit trust or investment fund (but excluding an investment holding company); or
 - (c) an insurance corporation whose activities are regulated by any written law relating to insurance and are subject to supervision by Bank Negara Malaysia (“**BNM**”), and the said insurance corporation is managing its insurance funds (together with its own shareholders’ funds or otherwise).

3. RATIONALE FOR THE PROPOSED PRIVATE PLACEMENT AND UTILISATION OF PROCEEDS

The proceeds to be raised from the Proposed Private Placement (net of expenses relating to the Proposed Private Placement) will be utilised for the repayment of borrowings and related incidental costs within 12 months.

The actual amount of proceeds to be raised from the Proposed Private Placement cannot be determined at this juncture as the amount would depend on the issue price and actual number of Placement Shares to be issued.

The Company is proposing the equity fund-raising exercise to strengthen Maxis and its subsidiaries’ (“**Maxis Group**”) financial position by reducing part of the existing borrowings of the Maxis Group. The benefits of this will include enhanced cash flows, liquidity, interest costs savings and improved gearing levels. This will also create financial flexibility for the Maxis Group to fund its future spectrum assignment fees, expansion plans and its growth strategy should the opportunities arise.

After due consideration of the amount intended to be raised, optimal timing and available funding options, the Board is of the view that the Proposed Private Placement is currently the most appropriate means of equity fund-raising as:

- (i) the Proposed Private Placement allows the Company to raise funds expeditiously as it can be implemented immediately pursuant to the shareholders mandate obtained at the last AGM;
- (ii) the book-building process to be undertaken for the Proposed Private Placement will allow efficient price discovery and competitive pricing based on investors' demand; and
- (iii) the Proposed Private Placement will allow the Company to potentially attract more local and international institutional investors to invest in the Company, thereby enlarging its shareholders' base and potentially enhancing the liquidity of Maxis Shares.

4. EFFECTS OF THE PROPOSED PRIVATE PLACEMENT

The effects of the Proposed Private Placement on Maxis' issued share capital, consolidated net assets per Maxis Share, earnings per Maxis Share, substantial shareholders' shareholding and gearing can only be determined upon finalisation of the issue price of the Placement Shares, after the completion of the book-building exercise.

An announcement on the final number and issue price of the Placement Shares, together with the effects of the Proposed Private Placement, will be made after the completion of the book-building exercise which is to be carried out today.

5. APPROVALS REQUIRED

The Proposed Private Placement is made in reliance on the authority granted by Maxis' shareholders for the issuance of Maxis Shares under Sections 75 and 76 of the Companies Act, 2016 which was obtained at Maxis' AGM held on 26 April 2017. The Proposed Private Placement is subject to the approval of Bursa Securities for the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities. The relevant application for the approval has been made today.

The Proposed Private Placement is not conditional upon any other corporate exercise/scheme of Maxis.

6. INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

Save as disclosed below, none of the Directors, major shareholders and/or persons connected with them has any interest, direct or indirect, in the Proposed Private Placement.

The Chairman of Maxis, Y.M. Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda is a person connected to Tengku Dato' Sri Zafrul Tengku Abdul Aziz, the Group Chief Executive Officer/ Executive Director of CIMB Group Holdings Berhad ("**CIMB Group**"), the holding company of CIMB. In addition, Dato' Hamidah Naziadin, a Director of Maxis is the Group Chief People Officer of CIMB Group.

Y.M. Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda and Dato' Hamidah Naziadin did not participate on the appointment of CIMB as the Principal Adviser, Joint Global Coordinator and Joint Bookrunner for the Proposed Private Placement at the relevant board meeting.

7. ADVISERS

CIMB have been appointed as the Principal Adviser, Joint Global Coordinator and Joint Bookrunner for the Proposed Private Placement.

Credit Suisse (Singapore) Limited and Credit Suisse Securities (Malaysia) Sdn Bhd have been appointed as the Joint Global Coordinator and Joint Bookrunner for the Proposed Private Placement.

8. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Board expects the Proposed Private Placement to be completed by end of July 2017.

This announcement is dated 19 June 2017.

This announcement is not an offer of securities for sale into the United States. The securities referred to herein have not been and will not be registered under the Securities Act, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering is being made in the United States.