

## **TM buys stake in P1 for RM350 mil**

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**By G. Sharmila**

Telekom Malaysia Bhd (TM) today announced it has purchased a 57% stake in Packet One Networks (Malaysia) Sdn Bhd (P1) for RM350 million, via TM's wholly-owned subsidiary Mobikom Sdn Bhd.

In a statement to Bursa Malaysia, TM said it had inked an investment agreement with Green Packet Bhd and SK Telecom Co Ltd to collaborate on developing a next-generation long term evolution (LTE) infrastructure to offer customers a full suite of converged communications services.

"The parties will seek to leverage on LTE technology to deliver high-quality and reliable data services across all segments of the community. P1 will capitalise on its spectrum assets, existing wireless platform and network footprint of close to 2,000 sites, and experienced management and organisation to expedite its entry into the LTE space," TM said in the statement.

TM group chief executive officer, Zamzamzairani Mohd Isa said, "This is in line with TM's vision of being an "Information Exchange" and Malaysia's Broadband Champion. We are further expanding our capabilities into the adjacent wireless broadband space, as a natural evolution of our suite of internet and data services, in order to better serve our customers' needs. The partnership provides an LTE-ready platform for us to more efficiently roll out wireless broadband products and accelerate time-to-market for our customers".

Commenting on the partnership, Green Packet's Group CEO, CC Puan added, "We welcome the entry of TM as a strategic shareholder alongside us and SK Telecom. This union of P1, the innovative and enterprising challenger, with big name giants in the telecom sector, is a positive on many levels. As Malaysia's broadband champion, TM will bring significant synergies to our existing business capabilities and SK Telecom's enhanced commitment to the P1 business is not only affirming, but will strongly transition P1 into the LTE era."

Jung Ho Park, the Executive Vice President & Chief Growth Officer (CGO) of SK Telecom, strategic partner in P1 since 2010, added, "We are pleased to share our extensive expertise and knowhow in LTE, accumulated in Korea. We believe that the launch of LTE network in Malaysia will bring enhanced experience and value to the Malaysian customers via a whole new array of new and innovative services that take advantage of the ultra-fast network."

The investment agreement will see TM initially investing RM350 million into P1 via the subscription of new ordinary shares to make TM the majority shareholder with an estimated 57% stake, with Green Packet and SK Telecom remaining as strategic shareholders of P1 upon completion. TM is also investing up to RM210 million into Green Packet via newly issued redeemable exchangeable bonds, which may be exchangeable into Green Packet's stake in P1 in the future.

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