

ASEAN BUSINESS

Telenor Asia seeks to strengthen market position after completing two mega telco mergers

Norwegian telecoms giant aims to deliver US\$1.2bn in cashflow from Asia over the next three years

By Mindy Tan
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The past few months have been extremely eventful for Norway's telecoms giant Telenor Group.

Last week, Telenor Asia – a newly set-up autonomous entity to manage the group's Asian operations with its headquarters in Singapore – and Thailand's CP Group finalised the merger of True Corporation and Total Access Communication (DTAC), the second and third-largest mobile operators in Thailand.

At US\$20.7 billion, the transaction is the largest telco merger in South-east Asia by combined enterprise value.

This feat came just three months after Telenor and Malaysian conglomerate Axiata Group announced the completion of the merger of Celcom and Digi's telco operations. The combined entity, called Celcom Digi, has a value of US\$14 billion and is the largest local listed technology company on Bursa Malaysia.

As these massive deals make headlines all over the world, Telenor has been fending off persistent rumours that it is looking to exit these markets through such partnerships.

Jorgen Rostrup, the executive vice-president of Telenor Group, said these partnerships are, in fact, meant to strengthen the company's position in the market.

He posits that the global telco

industry as a whole needs more of such mergers to meet the changing consumer demands in the current competitive landscape.

"Consumers use twice as much data now (compared to) before Covid, which is fantastic, (but) they don't expect to pay more for it. They're also saying that they are going to continue to use more data. The whole digitalisation journey requires us to change the model and the way we work," he told *The Business Times* in an exclusive interview.

"Our reading is that we need bigger units. We need more power, more capacity – financial and organisational – to build the new networks and services, and do this in a way where we can still make money and have a return on it so we can keep investing," he added.

Rostrup, who is also the head of Telenor Asia, opined that the telco markets in Asia have "too many players with too low profitability". As such, he believes that there will be more of such mergers and partnerships in the coming years.

"But it takes pragmatism and it takes a willingness to scrutinise how you work and how you want to work with others," he said.

Telenor Asia was established in October 2022 as a "more independent regional entity" with full oversight and responsibility for the group's operations in Bangladesh, Malaysia, Pakistan and Thailand. Telenor itself has been active in Singapore since 1998, and its oper-



Jorgen Rostrup, executive vice-president of Telenor Group, says the global telco industry needs more of such mergers to meet changing consumer demands in the current competitive landscape. PHOTO: TELENOR ASIA

ating companies are market leaders in both Bangladesh and Malaysia.

On the whole, Telenor Asia said in a statement that it aims to deliver US\$1.2 billion in cashflow from Asia over the next three years.

In a separate interview with *The Bangkok Post*, Rostrup said that the company's merger strategies in Thailand and Malaysia could lead to gains worth up to US\$2.5 billion from synergy over the next three years.

With the amalgamations in Thai-

land and Malaysia now firmly under its belt, Rostrup told BT that the focus going forward will be on operations.

Telenor Asia had earlier identified three main areas of opportunity, including increasing mobile adoption and data usage in Bangla-

desh and Pakistan; growing business-to-business (B2B) revenue; and expanding customer value by offering services beyond core mobile connectivity.

"Asia is underexposed to B2B compared with other regions, so you will see a lot more B2B effort by all telcos. It's all related to the new technologies – 5G, Internet of Things (IoT), and AI," he said. "That is probably the biggest and most value-creating area of growth and development for the telcos and business community at large."

The current revenue contribution to Telenor Asia from the B2B sector is around 5 per cent. Throughout the pandemic, when the overall telco sector was contracting, Telenor Asia's B2B revenue was up by 10 per cent.

It is also looking at other partnerships, although "not necessarily as structural or significant," said Rostrup, adding that one way to do this is by building up the ecosystem.

True Corporation in Thailand is looking to raise US\$200 million in venture capital with partners to support promising digital startups. And in Malaysia, Celcom Digi has committed to invest up to RM250 million (S\$75.3 million)

over five years to build an innovation centre in Kuala Lumpur.

The aim for the latter is to catalyse the digital transformation and strengthen the local ecosystem through the adoption of IoT, AI, cloud computing and 5G.

As for potential acquisitions or partnerships, Rostrup said that while it is always looking at new opportunities, these are few and far between in Asia. He also did not dismiss the possibility of acquisitions but added that the "top priority" is to execute on what the company has at the moment.

He is applying the same attitude to Telenor Asia's presence in Singapore, with a focus on expanding the team and beefing up operations. He did not reveal details on these plans.

Asked if the company could make any significant moves in Singapore, Rostrup would only say that he is "paying attention" to the telco market here because it is an "interesting space".

"(Singapore) is not a place where you go in with a new player because it's a fairly crowded market," he said. "We are looking at what other things we should do. We will spend some time and then see how things develop."

HOT STOCK

Thomson Medical rises almost 16% on potential acquisitions, tie-ups

By Vivienne Tay
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SHARES of mainboard-listed Thomson Medical Group climbed by nearly 16 per cent to reach a two-week high on Monday (Mar 6) and were among the most actively traded on the Singapore bourse.

This came after the healthcare provider said on Friday evening that it is evaluating and pursuing proposals which may involve acquisitions or collaborations for

healthcare-related business in South-east Asia, as part of its growth plans for the region.

The counter hit a high of S\$0.074 in intraday trading, up 17.5 per cent or S\$0.011. It ended the day at S\$0.073, up 15.9 per cent or S\$0.01. The last time Thomson Medical closed near this level was on Feb 21.

The counter also ended the day as the second most traded by volume, with 41.7 million shares changing hands. There were no

married deals recorded, according to ShareInvestor data.

The company said on Friday that it has been actively seeking investment opportunities, in line with its objective to grow its pan-Asian footprint.

As at the date of its announcement, the group noted it has yet to enter into any definitive agreements. There is also no certainty or assurance that any of its mentioned ongoing plans will materialise.

Ringgit poised for reprieve with China reopening seen boosting inflows

MALAYSIA'S ringgit is poised for a reprieve after its worst monthly performance since late 2016 as China's reopening heralds more tourist arrivals and bolsters exports.

DBS Group, Barclays and RBC Capital Markets all see the ringgit staying around the current level of 4.45 by the end of June this year. Fears that the US Federal Reserve may prove hawkish for longer ended up hammering emerging markets last month, driving a 4.8 per cent slide in the ringgit versus the greenback before sentiment stabilised in recent days.

"The impact of China's reopening in terms of tourism arrivals and trade will be felt more keenly by the middle of the year, helping support the ringgit," said Alvin Tan, the head of Asia FX strategy at RBC in Singapore. "Plus, pressure on emerging-market currencies will ease as the Federal Reserve inches closer to the end of its rate-hike cycle."

China's economic rebound is set to boost the outlook for Asian currencies this year, with the ringgit also seen as a beneficiary from Malaysia's strong trade links to the world's second-largest economy.

China was Malaysia's biggest export destination before the pan-



DBS Group, Barclays and RBC Capital Markets see the ringgit staying around the current level of 4.45 by end-June this year. PHOTO: BT FILE

demic and even as its share has fallen since then, it still stood at US\$47 billion last year, about 14 per cent of the total.

There is also potential for a rebound in tourist arrivals from China after the nation dismantled strict Covid-19 curbs in January. Malaysia attracted 108,067 Chinese tourists from January-September last year compared with 3.1 million in 2019.

Bank Negara Malaysia's (BNM) policy decision on Thursday (Mar 9) will also be on the radar for currency traders. A Bloomberg survey of 16 analysts so far shows nine expecting the central bank to hold rates at 2.75 per cent for a second consecutive meeting. The rest see a quarter-point hike.

HSBC is predicting bigger gains for the ringgit as the prospect of the Fed reaching the end of its tightening cycle is set to end the dominance of the US dollar. Traders are pricing the peak of US rates to happen in September.

"The ringgit is very sensitive to the broad dollar movement," said Paul Mackel, the global head of foreign-exchange research at HSBC in Hong Kong, which forecasts the ringgit at 4.28 by the end of June. "The combination of a solid external position, potential for stronger capital inflows could also help the ringgit."

The central bank has also increased its ability to defend the currency from volatility as foreign reserves rebounded from a two-year low reached last October. The nation's dollar stockpile has risen about 10 per cent since then to US\$115 billion in January.

"BNM will lean against the move if the pressure on the currency is sustained," said Ashish Agrawal, the head of foreign-exchange and emerging-market macro strategy research at Barclays in Singapore. "The narrative would be more like stability for the ringgit ahead after weakening sharply recently."

BLOOMBERG

NOTICES

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LION ASIAPAC LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 196800586R)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of the Company ("EGM") will be held at The Conference Room, 10 Arumugam Road, #10-00 LTC Building A, Singapore 409957 on 22 March 2023 at 11 a.m., for the purpose of considering and, if thought fit, passing (with or without any modifications) the following resolution set out below.

All capitalised terms used in this Notice of EGM which are not defined shall have the same meaning ascribed to them in the circular to shareholders of the Company dated 7 March 2023 (the "Circular").

ORDINARY RESOLUTION: THE PROPOSED EXPANDED INTERESTED PERSON TRANSACTIONS MANDATE

That:

- approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual, for the Company, its subsidiaries or associated companies that are considered "entities at risk" under Chapter 9 of the Listing Manual or any of them, to enter into any of the transactions falling within the categories of interested person transactions and with interested persons set out in the Circular, provided that such transactions are made on normal commercial terms and in accordance with the methods and procedures for interested person transactions as set out in the Circular (the "Proposed Expanded IPT Mandate");
- the Proposed Expanded IPT Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting or when the next annual general meeting is required by law to be held, whichever is earlier;
- the Audit Committee be and is hereby authorised to take such actions as it deems proper in respect of the methods and procedures for the Proposed Expanded IPT Mandate and/or to modify or implement such methods and procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Listing Manual which may be prescribed by the Singapore Exchange Securities Trading Limited from time to time; and
- the Directors and each of them be and are hereby authorised to take such steps, approve all matters and enter into all such transactions, arrangements and agreements and execute all such documents and notices as may be necessary or expedient for the purposes of giving effect to the approval and adoption of the Proposed Expanded IPT Mandate as such Directors or any of them may deem fit or expedient or give effect to the Proposed Expanded IPT Mandate and/or this Resolution.

By Order of the Board

Gan Chi Siew
Company Secretary

Singapore

7 March 2023

Important Notes:

Printed copies of this notice, the Circular and Proxy Form will not be sent to members. Instead, these documents will be sent to members solely by electronic means via publication on the Company's website at <http://www.lionasiapac.com/index.php/investors> and will also be made available on the Singapore Exchange's website at <https://www.sgx.com/securities/company-announcements>.

Submission of Questions in Advance:

Members (including CPF and SRS Investors) may submit questions relating to the business of the EGM in advance (i) at <http://www.lionasiapac.com/index.php/contact-lap> or (ii) by post to the registered office of the Company at 10 Arumugam Road #10-00 LTC Building A, Singapore 409957. All questions must be submitted by 11 a.m. on 14 March 2023.

A member who wishes to submit his/her/its questions by post is required to indicate his/her/its full name (for individuals)/company name (for corporates), NRIC/passport number/company registration number, contact number, shareholding type and number of shares held together with his/her/its submission of questions, to the office address provided.

The Company will endeavour to address the substantial and relevant questions prior to and/or at the EGM. The responses to questions from members will be posted on the Singapore Exchange's website at <https://www.sgx.com/securities/company-announcements> and the Company's website at <http://www.lionasiapac.com/index.php/sgx-announcements> as soon as possible before the EGM, or if answered during the EGM, to be included in the minutes of the EGM which will be published on the Singapore Exchange's website and the Company's website within one month after the date of the EGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently, not all questions may be individually addressed.

Submission of Proxy Forms to Vote:

Members (whether individual or corporate) appointing a proxy or proxies (including the Chairman) to attend, speak and vote at the EGM must give specific instructions as to voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid. A proxy need not be a member of the Company.

The instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.

The instrument appointing a proxy or proxies, duly executed together with the power of attorney or other authority, if any, under which the instrument of proxy is signed or a notarially certified copy of that power of attorney or other authority, must be submitted:

- by post to the registered office of the Company at 10 Arumugam Road, #10-00 LTC Building A, Singapore 409957; or
- by post to the office of the Company's Share Registrar at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896

In each case, not less than 72 hours before the time appointed for holding the EGM, i.e. by 11 a.m. on 19 March 2023. A member who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above.

Persons who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967), including CPF and SRS Investors, who wish to exercise their votes by appointing the Chairman of the EGM as proxy should approach their respective relevant intermediaries (including CPF Agent Banks and SRS Operators) to submit their voting instructions by 11 a.m. on 10 March 2023.

The Company shall be entitled to reject the instrument appointing the Chairman of the EGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the EGM as proxy (such as in the case where the appointor submits more than one instrument of proxy).

A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the EGM in order for the Depositor to be entitled to attend and vote at the EGM.

Personal Data Privacy:

By (a) submitting a form appointing the Chairman of the EGM or any other person(s) as proxy to attend, speak and vote at the EGM and/or any adjournment thereof, (b) submitting any question prior to the EGM in accordance with this notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- processing and administration by the Company (or its agents or service providers) of proxies and/or representatives appointed for the EGM (including any adjournment thereof);
- preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof);
- processing of the registration for purpose of granting access to members (or their representatives in the case of members which are legal entities) and providing them with any technical assistance where necessary;
- addressing substantial and relevant questions from members received prior to and/or at the EGM and if necessary, following up with the members in relation to such questions; and
- enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities.

The member's personal data, his proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes and retained for such period as may be necessary for the Company's verification and record purposes.