STARHUB LTD
(Incorporated in the Republic of Singapore)
(Company Registration No. 199802208C)

ANNOUNCEMENT

PROPOSED TRANSACTION IN RELATION TO CYBER SECURITY BUSINESS

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1. INTRODUCTION

1.1 Incorporation of JVCo

The Board of Directors (the "**Board**") of StarHub Ltd (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company has, jointly with Leone Investments Pte. Ltd. ("**Leone**"), today incorporated Ensign InfoSecurity Pte. Ltd. ("**JVCo**"), a private company limited by shares in Singapore, to jointly undertake a pure play cyber security business with end-to-end capabilities as further described in paragraph 3 below. As at the date of this Announcement, JVCo has an issued and paid-up share capital of S$2 comprising 2 ordinary shares ("**JVCo Shares**"), where each of the Company and Leone holds 1 JVCo Share.

1.2 Company's injection of the Cyber Security Assets into JVCo

In connection with the foregoing, the Company has today entered into:

(a) a conditional sale and purchase agreement (the "**ASTL SPA**") with JVCo, pursuant to which the Company has agreed to sell, and JVCo has agreed to purchase, 23,000,000 issued ordinary shares in the capital of Accel Systems & Technologies Pte. Ltd. ("**ASTL**") (the "**Sale Shares**"), representing the entire issued and paid-up share capital of ASTL; and

(b) a conditional business transfer agreement (the "**BTA**") with JVCo, pursuant to which the Company has agreed to sell, and JVCo has agreed to purchase, certain cyber security business related assets of the Company (the "**Assets**", and together with the Sale Shares, the "**Cyber Security Assets**"),

(together with the assignment of, and the termination of the assignment of, the Aggregate Assigned Rights (as defined below), the "**Proposed Transaction**").

1.3 Leone's injection of Quann Shares into JVCo

In connection with the Proposed Transaction, JVCo has today entered into a conditional sale and purchase agreement (the "**Quann SPA**"), pursuant to which, *inter alia*, Leone has agreed to sell, and JVCo has agreed to purchase, 801 issued ordinary shares in the capital of Quann World Pte. Ltd. ("**Quann**") ("**Quann Shares**"), representing the entire issued and paid-up share capital of Quann. Leone is an indirect wholly-owned subsidiary of Temasek Holdings (Private) Limited ("**Temasek**") incorporated in Singapore.

1.4 **Inter-conditionality between the ASTL SPA, the BTA and the Quann SPA**

The ASTL SPA, the BTA and the Quann SPA are inter-conditional on one another, so that any party may elect not to proceed with the relevant completion if the other transactions do not also complete simultaneously. Completion of the respective transactions under the ASTL SPA, the BTA and the Quann SPA ("**Completion**") will take place simultaneously.

1.5 **JVCo as a subsidiary of the Company on Completion**

Following Completion, the Company will hold 40% of the entire issued and paid-up share capital of JVCo, while Leone will hold the remaining 60% of the entire issued and paid-up share capital of JVCo. Simultaneously, the Assigned Rights (as defined below) will be assigned from Leone to the Company, following which JVCo will be regarded as a subsidiary of the Company.

2. INFORMATION ON ASTL, THE ASSETS AND QUANN

2.1 **ASTL**

ASTL is a cyber security consultant and solutions provider incorporated in Singapore. As at the date of this Announcement, ASTL has an issued and paid-up share capital of S$2,300,000 comprising 23,000,000 ordinary shares.

2.2 **The Assets**

The Assets comprise certain property, rights and assets used, enjoyed or exercised exclusively or primarily in connection with the cyber security business carried on by the Company (the "**Existing Cyber Security Business**"), including, *inter alia*, (a) the benefit (subject to the burden) of the whole or relevant parts of certain customer contracts entered into by the Company that relate to the Existing Cyber Security Business, (b) the intellectual property rights owned by the Company and used in connection with the Existing Cyber Security Business, (c) the goodwill of the Company in relation to the Existing Cyber Security Business and (d) certain movable assets used exclusively or primarily in connection with the Existing Cyber Security Business.

2.3 **Quann**

Quann is a Managed Security Services Provider that provides a suite of security services to prevent, detect and rapidly respond to cyber attacks. Quann is incorporated in Singapore.

3. RATIONALE FOR AND BENEFITS OF THE PROPOSED TRANSACTION

It is envisaged that JVCo (following the completion of the Proposed Transaction and the Quann SPA) will harness the capabilities of ASTL and Quann to deliver end-to-end cyber security solutions to organisations in Singapore and overseas markets, as a Singapore-based pure play cyber security company with end-to-end capabilities comprising Professional Services, Systems Integration and Managed Security Services. In addition, its unique telco-centric and network-based security monitoring capabilities will be critical to providing enhanced security for enterprises and critical infrastructure.

4. PRINCIPAL TERMS OF THE PROPOSED TRANSACTION

4.1 ASTL SPA Condition

Pursuant to the terms of the ASTL SPA, the completion of the sale and purchase of the Sale Shares is subject to and conditional upon the finalisation of certain transactional documents relating to the Proposed Transaction in the agreed form (the "**ASTL SPA Condition**").

If the ASTL SPA Condition is not fulfilled or waived on or before 31 October 2018 (or such other date which JVCo and the Company may agree in writing), the ASTL SPA (other than the surviving provisions) shall lapse and cease to have further effect and all obligations and liabilities of JVCo and the Company under the ASTL SPA shall cease and determine and neither JVCo nor the Company shall have any claim against the other under it, save in respect of any breach of certain obligations under the ASTL SPA or any other antecedent breach of the ASTL SPA.

4.2 BTA Conditions

Pursuant to the terms of the BTA, the completion of the sale and purchase of the Assets is subject to and conditional upon (a) the finalisation of certain transactional documents relating to the Proposed Transaction in the agreed form and (b) certain specified employees of the Existing Cyber Security Business having accepted JVCo's written offer of employment and entered into new employment agreements with JVCo (collectively, the "**BTA Conditions**").

If the BTA Conditions are not fulfilled or waived on or before 31 October 2018 (or such other date which JVCo and the Company may agree in writing), the BTA (other than the surviving provisions) shall lapse and cease to have further effect and all obligations and liabilities of JVCo and the Company under the BTA shall cease and determine and neither JVCo nor the Company shall have any claim against the other under it, save in respect of any breach of certain obligations under the BTA or any other antecedent breach of the BTA.

4.3 Consideration

The aggregate consideration of S$120,000,000 payable by JVCo to the Company for the Cyber Security Assets (the "**Consideration**") was arrived at on a willing seller and willing buyer basis after taking into account (a) the historical financial performance and growth potential of ASTL, (b) the consideration paid by the Company for the acquisition of the Sale Shares, (c) the independent valuation of the Cyber Security Assets (the "**Cyber Security Assets Independent Valuation**") by ING Bank, N.V., Singapore branch ("**ING**") relative to the independent valuation of Quann (the "**Quann Independent Valuation**") by ING and (d) the rationale for the Proposed Transaction (as described in paragraph 3 above).

The Consideration shall be satisfied by (i) the payment of a cash consideration of S$16,000,001 by JVCo to the Company on Completion and (ii) the allotment and issuance of 103,999,999 new JVCo Shares at an issue price of S$1 per JVCo Share, representing 40% of the total issued JVCo Shares on Completion (when aggregated with the existing 1 JVCo Share held by the Company as at the date of this Announcement).

On Completion, JVCo will also allot and issue (A) 140,000,000 JVCo Shares to Leone at an issue price of S$1 per JVCo Share as consideration under the Quann SPA and (B) an additional 15,999,999 new JVCo Shares to Leone at an issue price of S$1 per JVCo Share, for a cash consideration of S$15,999,999. The aggregate number of JVCo Shares held by Leone on Completion will represent 60% of the total issued JVCo Shares on Completion (when aggregated with the existing 1 JVCo Share held by Leone as at the date of this Announcement).

Accordingly, on Completion, JVCo will be held 40% by the Company and 60% by Leone, with the Company and Leone holding 104,000,000 JVCo Shares and 156,000,000 JVCo Shares respectively.

4.4 **Assigned Rights and Further Assigned Rights**

As part of the Proposed Transaction:

(a) on Completion, Leone will assign to the Company all of Leone's rights, benefits and interests (including voting and economic rights) in 52,000,000 JVCo Shares, representing 20% of the total issued JVCo Shares on Completion (the "**Assigned Rights**"). Pursuant to such assignment, the Company shall have the benefit of the Assigned Rights and all rights, benefits and interests arising from the Assigned Rights (including any rights against third parties); and

(b) in consideration for Leone assigning the Assigned Rights, the Company will pay Leone a sum of S$52,000,000 (the "**Assignment Consideration Sum**").

Further:

(c) in the event that JVCo issues any new JVCo Shares post-Completion prior to the termination of the assignment of the Assigned Rights, subject to:

  (i) the Company and/or its permitted transferees (as the case may be) subscribing for all (and not some only) of their respective pro-rata entitlement to the total number of new JVCo Shares issued (the "**Total New JVCo Shares**"), such that the Company and its permitted transferees collectively hold at least 40% of the total number of JVCo Shares which are issued and paid-up in the capital of JVCo following the subscription of the Total New JVCo Shares by all the shareholders of JVCo; and

  (ii) Leone and/or its permitted transferees (as the case may be) subscribing for more than 40% of the Total New JVCo Shares,

(together, the "**Further Assigned Rights Conditions**"),

the Company shall have the right to be assigned all of Leone's and/or its permitted transferees' (as the case may be) rights, benefits and interests (including voting and economic rights) (the "**Further Assigned Rights**") in all or some of those Total New JVCo Shares subscribed for by Leone and/or its permitted transferee(s) (as the case may be) which is in excess of the number of JVCo Shares representing 40% of the Total New JVCo Shares (the "**Further Assigned Rights Shares**"). Pursuant to such assignment, the Company shall have the benefit of the Further Assigned Rights and all rights, benefits and interests arising from the Further Assigned Rights (including any rights against third parties); and

(d) in consideration for Leone and/or its permitted transferee(s) (as the case may be) assigning the Further Assigned Rights, the Company will pay Leone and/or its permitted transferee(s) (as the case may be) a sum equivalent to the underlying subscription price paid by Leone and/or its permitted transferee(s) (as the case may be) for the Further Assigned Rights Shares.

It is also provided that:

(e) each of Leone and the Company shall be entitled to terminate the assignment of all (and not some only) of the Assigned Rights and all Further Assigned Rights (if any) (together, the "**Aggregate Assigned Rights**") from the third anniversary of the date of Completion by serving a termination notice (the "**Termination Notice**"). In any event, the assignment of all (and not some only) of the Aggregate Assigned Rights would be automatically terminated (i) on the fifth anniversary of the date of Completion if not terminated earlier by Leone or the Company ("**Automatic Termination**") or (ii) if either Leone or the Company or their respective permitted transferee(s) (if applicable) defaults on certain obligations and the other non-defaulting party serves a notice of default ("**Default Termination**"); and

(f) the consideration payable by Leone to the Company for the termination of the Aggregate Assigned Rights shall be:

(i) in the case of the Company serving the Termination Notice, the lower of:

(A) the fair market value of the JVCo Shares representing the Aggregate Assigned Rights (the "**Fair Market Value**"), which value will be determined by one or more of Deloitte & Touche LLP, Ernst & Young LLP, KPMG LLP and PricewaterhouseCoopers as independent valuer(s) in accordance with an agreed set of valuation principles; and

(B) a reference price which is calculated by taking into consideration, *inter alia*, a return of 6% per annum on the consideration paid by the Company for the assignment of the Aggregate Assigned Rights to be determined for the relevant periods starting from the respective dates of payment of the consideration to the date on which the Aggregate Assigned Rights are terminated (the "**Reference Price**");

(ii) in the case of Leone serving the Termination Notice, the higher of:

(A) the Fair Market Value; and

(B) the Reference Price;

(iii) in the case of Automatic Termination, the Fair Market Value; or

(iv) in the case of Default Termination, 90% of the Fair Market Value if the Company and/or its permitted transferee(s) (as the case may be) is the defaulting party, or 110% of the Fair Market Value if Leone and/or its permitted transferee(s) (as the case may be) is the defaulting party.

4.5 **Compliance with Regulatory Actions**

As part of the Proposed Transaction, the Company and Leone agree that they shall always be in compliance with any action taken by a regulatory authority in Singapore in the event that, *inter alia*, there is a change in control of shares carrying more than 50% of the voting rights of the Company, including, if required, any action which compels the Company to divest all or some of its JVCo Shares.

4.6 **Subsidiary of the Company**

Based on the control and rights accorded to the Company, on Completion, JVCo will be regarded as a subsidiary of the Company as a result of its 40% shareholding in JVCo and the assignment of the Assigned Rights.

5. FINANCIAL INFORMATION

5.1 **Basis**

The financial information in this paragraph 5 relates to the Cyber Security Assets and the Aggregate Assigned Rights. For the purposes of this Announcement (in particular, paragraphs 5 to 8 hereof), it is assumed that (a) the Aggregate Assigned Rights comprise only the Assigned Rights (i.e. no Further Assigned Rights are assigned to the Company) and (b) the assignment of the Aggregate Assigned Rights is terminated by the Company immediately preceding the Automatic Termination, and the Fair Market Value is equal to the Reference Price, upon which the consideration payable by Leone to the Company for the termination of the Aggregate Assigned Rights will be at the maximum Reference Price of S$69,587,730 [1] (the "**Maximum Reference Price**"). Accordingly, for the purposes of calculating the value at risk to the Company and the thresholds under the Listing Manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the value of the assignment, and the termination of the assignment, of the Aggregate Assigned Rights is taken to be S$69,587,730.

5.2 **Book Value**

Based on the Group's unaudited consolidated financial statements ("**1H FY2018 Financial Statements**") for the half year ended 30 June 2018 ("**1H FY2018**"), the management accounts of ASTL as at 30 June 2018 and the management accounts of the Company as at 30 June 2018, the book value attributable to the Cyber Security Assets is approximately S$21,350,000.

Assuming that Completion has occurred on the date of this Announcement, based on the Group's 1H FY2018 Financial Statements and the management accounts of Quann for the financial year ended 31 March 2018, the book value attributable to the Aggregate Assigned Rights would be approximately S$8,380,000.

5.3 **Net Tangible Assets ("NTA")**

Based on the Group's 1H FY2018 Financial Statements, the management accounts of ASTL as at 30 June 2018 and the management accounts of the Company as at 30 June 2018, the NTA attributable to the Cyber Security Assets is approximately S$21,350,000.

Assuming that Completion has occurred on the date of this Announcement, based on the Group's 1H FY2018 Financial Statements and the management accounts of Quann for the

[1] The Maximum Reference Price is arrived at by taking the Assignment Consideration Sum of S$52,000,000 compounded on a year-to-year basis across 5 years at a return of 6% per annum.

financial year ended 31 March 2018, the NTA attributable to the Aggregate Assigned Rights would be approximately S$6,800,000.

5.4 **Latest Available Valuation**

The Cyber Security Assets Independent Valuation ranges between S$128,000,000 and S$168,000,000. ING was commissioned by the Company to value the Cyber Security Assets on 10 July 2018, and the Cyber Security Assets Independent Valuation was determined after taking into account (a) the discounted cash flow of the Cyber Security Assets and (b) the relative valuation of comparable public and private companies.

Separately, the Quann Independent Valuation ranges between S$158,000,000 and S$179,000,000. ING was commissioned by the Company to value the Quann Shares on 24 August 2018, and the Quann Independent Valuation was determined after taking into account (i) the discounted cash flow of Quann and (ii) the relative valuation of comparable public and private companies.

5.5 **Excess of Consideration over Book Value**

Based on the book value of the Cyber Security Assets set out in paragraph 5.2 above, the amount of excess of the Consideration over the said book value is approximately S$98,650,000.

Based on the book value of the Aggregate Assigned Rights set out in paragraph 5.2 above, the amount of excess of the consideration arising from the termination of the Aggregate Assigned Rights immediately preceding the Automatic Termination of S$69,587,730 over the said book value is approximately S$61,210,000.

5.6 **Net Profits and Gain on Disposal**

Based on the Group's 1H FY2018 Financial Statements, the management accounts of ASTL as at 30 June 2018, and the management accounts of the Company as at 30 June 2018, the net profits attributable to the Cyber Security Assets is approximately S$3,030,000. There is no gain on disposal.

Based on the Group's 1H FY2018 Financial Statements, the management accounts of ASTL as at 30 June 2018, the management accounts of the Company as at 30 June 2018 and the management accounts of Quann for the financial year ended 31 March 2018, the net loss attributable to the Aggregate Assigned Rights is approximately S$320,000. The amount of gain on disposal is approximately S$17,587,730[2].

6. FINANCIAL EFFECTS

6.1 **Illustrative Nature of Financial Effects**

The financial effects of the Proposed Transaction[3] on the Group's NTA per share of the Company and the Group's earnings per share of the Company ("**EPS**") based on the Group's

[2] Calculated based on the Maximum Reference Price less the Assignment Consideration Sum.

[3] For the purposes of this paragraph 6, it is assumed that the assignment of the Aggregate Assigned Rights is terminated by the Company immediately preceding the Automatic Termination and the Fair Market Value is equal

audited consolidated financial statements for the financial year ended 31 December 2017 are set out below. The financial effects below are purely for illustrative purposes and are therefore not necessarily indicative of the actual financial position of the Group after Completion.

6.2 **NTA**

Assuming that the Proposed Transaction had been effected on 31 December 2017, being the end of the most recently completed financial year of the Group, the effect on the Group's NTA per share of the Company would be as follows:

	Before the Proposed Transaction	**After the Proposed Transaction**
NTA (S$ '000,000)	105.4	209.3
Number of ordinary shares ('000)	1,731,651	1,731,651
NTA per ordinary share (S$)	0.06	0.12

6.3 **EPS**

Assuming that the Proposed Transaction had been effected on 1 January 2017, being the beginning of the most recently completed financial year of the Group, the effect of the Proposed Transaction on the EPS would be as follows:

	Before the Proposed Transaction	**After the Proposed Transaction**
Profit attributable to shareholders (S$ '000,000)	249.0	339.3
Weighted average no. of ordinary shares – Basic ('000)	1,728,789	1,728,789
EPS (cents) – Basic	14.2	19.4

7. INTERESTED PERSON TRANSACTION

7.1 **Interested Person Transaction**

As at 4 September 2018, Temasek does not have any direct interest in shares of the Company. Temasek is deemed to be interested in an aggregate of 972,749,461 ordinary shares of the Company, representing approximately 56.20% of the Company's issued ordinary shares (excluding treasury shares), via Singapore Technologies Telemedia Pte Ltd (a wholly-owned subsidiary of Temasek) ("**STT**"), and DBS Group Holdings Ltd (an associated company of Temasek) ("**DBSH**"). Accordingly, under the Listing Manual, Temasek is deemed to be a "controlling shareholder" of the Company as it has a more than 15% interest in the issued share capital of the Company. STT and DBSH are independently-

to the Reference Price, upon which the consideration payable by Leone to the Company for the termination of the Aggregate Assigned Rights will be S$69,587,730, being the Maximum Reference Price.

managed Temasek portfolio companies. Temasek is not involved in their business or operating decisions, including their positions in shares of the Company.

As Leone is a wholly-owned indirect subsidiary of Temasek and JVCo is a company in which Temasek has an indirect interest of 30% or more as at the date of this Announcement, each of Leone and JVCo would be considered to be an "associate" of Temasek under the Listing Manual. Accordingly, for the purposes of Chapter 9 of the Listing Manual, each of Leone and JVCo would be considered as an "interested person" vis-à-vis the Company, which is regarded as an "entity at risk" for these purposes. Accordingly, the Proposed Transaction will be regarded as an "interested person transaction" under Chapter 9 of the Listing Manual.

7.2 **Market Capitalisation**

The Company obtained a ruling from the SGX-ST on 20 February 2018 stating that, *inter alia*, thresholds for interested person transactions to be entered into by the Company for the financial year ending 31 December 2018 may be determined by reference to the market capitalisation of the Company on the last trading day of its financial year ended 31 December 2017 instead of the Group's latest audited NTA.

The market capitalisation of the Company on the last trading day of its financial year ended 31 December 2017 was S$4,927,800,000 (the "**Relevant Market Cap**"). Accordingly, 3% of the Relevant Market Cap would be approximately S$147,800,000 and 5% of the Relevant Market Cap would be approximately S$246,300,000.

7.3 **Value at Risk**

The value at risk to the Company in relation to the Proposed Transaction is approximately S$189,587,730 (representing approximately 3.85% of the Relevant Market Cap), which is calculated by aggregating the following:

(a) the Consideration, which is S$120,000,000; and

(b) the value of the assignment, and termination of the assignment, of the Aggregate Assigned Rights, which is taken to be equivalent to the Maximum Reference Price of S$69,587,730. The Maximum Reference Price is based on the assumptions as set out in paragraph 5.1 above.

As the value at risk to the Company exceeds 3% but does not exceed 5% of the Relevant Market Cap, the Proposed Transaction is not subject to shareholders' approval under Chapter 9 of the Listing Manual.

7.4 **SGX-ST Confirmation**

The Company had made an application to the SGX-ST in respect of the Proposed Transaction and obtained the following confirmations:

(a) the SGX-ST has no objections to the Company's views that the value at risk of the Proposed Transaction to the Company as set out in paragraph 7.3 above (including the assignment of, and the termination of the assignment of, the Aggregate Assigned

Rights[4]) is between 3% and 5% of the Relevant Market Cap and the Company is therefore not required to obtain shareholders' approval to proceed with the Proposed Transaction (including the assignment of, and the termination of the assignment of, the Aggregate Assigned Rights);

(b) the SGX-ST is of the view that subscription by the Company for Further Assigned Rights in relation to the issuance of any new JVCo Shares should be aggregated with all transactions entered into with the same interested person during the relevant financial year pursuant to Rules 905 and 906 of the Listing Manual; and

(c) any new issuance of new JVCo Shares and/or the provision of shareholder loans to JVCo for future funding will fall within the exception of Rules 916(2) and 916(3) of the Listing Manual only if the Company and Leone each subscribes to its pro-rata entitlement of new shares or provide shareholder loans based on their respective shareholding proportions in JVCo, being 40% by the Company and 60% by Leone.

7.5 **Total Value of Interested Person Transactions**

For the period from the beginning of the current financial year from 1 January 2018 up to 30 August 2018, being the latest practicable date prior to the date of this Announcement, (a) the aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions below S$100,000) is S$304,311,058.59 and (b) save for the Proposed Transaction, there have been no other interested person transactions (excluding transactions below S$100,000) entered into by the Group with any of its interested persons.

7.6 **Opinion of the Audit Committee**

The Audit Committee of the Company (currently comprising Mr Paul Ma Kah Woh, Mr Nihal Vijaya Devadas Kaviratne CBE, Ms Rachel Eng Yaag Ngee and Mr Lim Ming Seong), is of the view that:

(a) the Proposed Transaction is on normal commercial terms;

(b) the risks and rewards of the joint venture in connection with the Proposed Transaction are in proportion to the equity of the Company and Leone; and

(c) the Proposed Transaction (including the terms of the joint venture in connection with the Proposed Transaction) is not prejudicial to the interests of the Company and its minority shareholders.

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[4] As stated in paragraph 5.1, it is assumed that (a) the Aggregate Assigned Rights comprise only the Assigned Rights (i.e. no Further Assigned Rights are assigned to the Company) and (b) the assignment of the Aggregate Assigned Rights is terminated by the Company immediately preceding the Automatic Termination and the Fair Market Value is equal to the Reference Price, upon which the consideration payable by Leone to the Company for the termination of the Aggregate Assigned Rights will be S$69,587,730, being the Maximum Reference Price.

8. CHAPTER 10 OF THE LISTING MANUAL

8.1 Relative Figures

The relative figures in relation to the Proposed Transaction[5] computed on the bases set out in Rule 1006 of the Listing Manual are set out below and are calculated based on comparing the relevant bases of the Cyber Security Assets and the Aggregate Assigned Rights against the Group's 1H FY2018 Financial Statements, being the latest announced consolidated accounts of the Company.

The computations are based on (a) the Company's 1H FY2018 Financial Statements, (b) in respect of the net asset value and the net profits of the Cyber Security Assets, the management accounts of ASTL as at 30 June 2018 and the management accounts of the Company as at 30 June 2018 and (c) in respect of the net asset value and the net profits of the Aggregate Assigned Rights, the management accounts of ASTL as at 30 June 2018, the management accounts of the Company as at 30 June 2018 and the management accounts of Quann for the financial year ended 31 March 2018.

Rule 1006	Bases	Percentage (%)
(a)	The net asset value of the assets to be disposed of (i.e. the net asset value of the Cyber Security Assets and the Aggregate Assigned Rights), compared with the Group's net asset value	4.99%[(1)]
(b)	The net profits attributable to the assets disposed of (i.e. the net profits of the Cyber Security Assets and the Aggregate Assigned Rights), compared with the Group's net profits	1.75%[(2)]
(c)	The aggregate value of the consideration received (i.e. the Consideration and the value of the Aggregate Assigned Rights), compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	6.72%[(3)]
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not Applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not Applicable

[5] For the purposes of this paragraph 8, it is assumed that the assignment of the Aggregate Assigned Rights is terminated by the Company immediately preceding the Automatic Termination and the Fair Market Value is equal to the Reference Price, upon which the consideration payable by Leone to the Company for the termination of the Aggregate Assigned Rights will be S$69,587,730, being the Maximum Reference Price.

Notes:

(1) Computed based on the net asset value of the Cyber Security Assets of approximately S$21,350,000 and the net asset value of the Aggregate Assigned Rights of approximately S$8,380,000, compared to the Group's net asset value of approximately S$596,000,000 as at 30 June 2018.

(2) Computed based on the net profits attributable to the Cyber Security Assets and the Aggregate Assigned Rights of approximately S$2,710,000 on a 6-month trailing basis, compared to the Group's net profits of S$154,400,000 for 1H FY2018.

(3) Computed based on the market capitalisation of the Company on 4 September 2018, being the last market day preceding the date of this Announcement, of approximately S$2,822,423,443.

8.2 Discloseable Transaction

As the relative figure computed on the basis set out in Rule 1006(c) exceeds 5% but is less than 20%, the Proposed Transaction constitutes a "discloseable transaction" as defined in Chapter 10 of the Listing Manual.

9. FURTHER INFORMATION

9.1 Interests of Directors and Controlling Shareholders of the Company

Save as disclosed in this Announcement and save for any shares in the Company in which the directors and the controlling shareholders of the Company may have an interest in, none of them has any interest, direct or indirect, in the Proposed Transaction. Mr Steven Terrell Clontz, Mr Paul Ma Kah Woh, Mr Nihal Vijaya Devadas Kaviratne CBE, Mr Stephen Geoffrey Miller, Mr Lim Ming Seong and Dr Nasser Marafih hold directorships and/or executive positions in the associates of Temasek.

9.2 Directors' Service Contracts

No person is proposed to be appointed as a director of the Company in connection with the Proposed Transaction. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

9.3 Inspection

Copies of the ASTL SPA and the BTA are available for inspection during normal business hours at the registered office of the Company at 67 Ubi Avenue 1, #05-01 StarHub Green, Singapore 408942 for 3 months from the date of this Announcement.

BY ORDER OF THE BOARD

Veronica Lai
Company Secretary
Singapore, 5 September 2018