

CIRCULAR DATED 29 SEPTEMBER 2016

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold your ordinary shares in Singapore Telecommunications Limited (the "**Company**"), you should immediately forward this Circular and the Proxy Form enclosed with this Circular to the purchaser or the stockbroker or other agent through whom the sale was effected for onward transmission to the purchaser.

The Singapore Exchange Securities Trading Limited takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Circular.



SINGAPORE TELECOMMUNICATIONS LIMITED
(Incorporated in the Republic of Singapore)
Company Registration Number: 199201624D
Australian Registered Body Number: 096 701 567

CIRCULAR TO SHAREHOLDERS IN RELATION TO

- (1) THE PROPOSED ACQUISITION OF SHARES IN INTOUCH HOLDINGS PUBLIC COMPANY LIMITED;**
- (2) THE PROPOSED ACQUISITION OF SHARES IN BHARTI TELECOM LIMITED; AND**
- (3) THE PROPOSED PLACEMENT OF SHARES IN SINGAPORE TELECOMMUNICATIONS LIMITED**

Independent Financial Adviser
in relation to the Proposed Acquisitions and Placement

LAZARD

LAZARD ASIA LIMITED
(Incorporated in the Republic of Singapore)
Company Registration Number: 199408508H

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form : 11 October 2016 at 3.00 p.m.

Date and time of Extraordinary General Meeting : 14 October 2016 at 3.00 p.m.

Place of Extraordinary General Meeting : Sands Expo and Convention Centre
Marina Bay Sands Level 4
Roselle-Simpur Main Ballroom 4601-4806
10 Bayfront Avenue
Singapore 018956

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Definitions

In this Circular, the following definitions apply throughout unless otherwise stated:

"Acquisitions"	: The Intouch Acquisition and the BTL Acquisition.
"Aggregate Issue Price"	: Approximately SGD1,605 million.
"AIS"	: Advanced Info Service Public Company Limited.
"Announcement"	: The announcement issued by Singtel on 18 August 2016 relating to the Acquisitions and the Placement.
"Aspen"	: Aspen Holdings Limited.
"Atrium"	: Atrium Investments Pte. Ltd..
"Audit Committee"	: The audit committee of the Company, comprising Mr Bobby Chin, Mrs Christina Ong, Mr Peter Ong and Ms Teo Swee Lian.
"BAL"	: Bharti Airtel Limited.
"BAL Shares"	: Ordinary shares of INR5 each in the issued share capital of BAL.
"BSE"	: BSE Limited (formerly known as Bombay Stock Exchange Limited).
"BTL"	: Bharti Telecom Limited.
"BTL Acquisition"	: The proposed acquisition of the BTL Sale Shares pursuant to the BTL SPA.
"BTL Aggregate Consideration"	: Approximately SGD884 million.
"BTL Sale Shares"	: 186,618,016 BTL Shares.
"BTL Shares"	: Equity shares of INR10 each in the issued share capital of BTL.
"BTL SPA"	: The conditional sale and purchase agreement dated 18 August 2016 entered into between Magenta and MacRitchie, pursuant to which MacRitchie agreed to sell, and Magenta agreed to purchase, the BTL Sale Shares on the terms and subject to the conditions contained therein.
"CDP"	: The Central Depository (Pte) Limited.
"Companies Act"	: The Companies Act, Chapter 50 of Singapore.
"Company" or "Singtel"	: Singapore Telecommunications Limited.
"Completion"	: Completion of the Acquisitions and the Placement.
"Directors"	: The directors of the Company for the time being.
"EGM"	: The extraordinary general meeting of the Company, notice of which is given on pages 67 and 68 of this Circular.
"EPS"	: Earnings per Share.

Definitions

"FY2016"	: The financial year ended 31 March 2016.
"GAAP"	: Generally accepted accounting principles.
"Group"	: The Company and its subsidiaries.
"IFA"	: Independent financial adviser.
"IFA Letter"	: The letter from Lazard to the Independent Directors dated 29 September 2016 which is set out in the Appendix to this Circular.
"Independent Directors"	: The Directors who are considered independent for the purposes of the Acquisitions and the Placement, namely, Mr Simon Israel, Ms Chua Sock Koong, Mr Venkataraman V Ganesan, Mr Low Check Kian, Mr Peter Mason AM, Mrs Christina Ong and Ms Teo Swee Lian.
"INR"	: Indian Rupee.
"Intouch"	: Intouch Holdings Public Company Limited.
"Intouch Acquisition"	: The proposed acquisition of the Intouch Sale Shares pursuant to the Intouch SPA.
"Intouch Aggregate Consideration"	: Approximately SGD1,585 million.
"Intouch Group"	: Intouch and its subsidiaries.
"Intouch Sale Shares"	: 673,348,264 Intouch Shares.
"Intouch Shares"	: Issued and paid-up shares of Intouch, having the par value of THB1 each, including any foreign shares of Intouch with voting rights attached thereto.
"Intouch SPA"	: The conditional sale and purchase agreement dated 18 August 2016 entered into between SGIPL and Aspen, pursuant to which Aspen agreed to sell, and SGIPL agreed to purchase, the Intouch Sale Shares on the terms and subject to the conditions contained therein.
"Latest Practicable Date"	: The latest practicable date prior to the printing of this Circular, being 8 September 2016.
"Latest Report"	: Intouch's latest available quarterly financial statements before Completion.
"Lazard"	: Lazard Asia Limited.
"Listing Manual"	: The listing manual of the SGX-ST, as amended up to the Latest Practicable Date.
"MacRitchie"	: MacRitchie Investments Pte. Ltd..
"Magenta"	: Magenta Investments Limited.
"New Shares"	: 385,581,351 new ordinary shares of the Company.

Definitions

"NSE"	: National Stock Exchange of India Limited.
"NTA"	: Net tangible assets.
"Placee"	: Tembusu or one or more of Tembusu's nominees.
"Placement"	: The proposed allotment and issuance of the New Shares pursuant to the Placement Agreement.
"Placement Agreement"	: The conditional placement agreement dated 18 August 2016 entered into between Singtel and Tembusu, pursuant to which Singtel agreed to allot and issue, and Tembusu agreed to subscribe, or procure one or more of its nominees to subscribe, for the New Shares, for cash, on the terms and subject to the conditions contained therein.
"SET"	: The Stock Exchange of Thailand.
"SGIPL"	: Singtel Global Investment Pte. Ltd..
"SGX-ST"	: Singapore Exchange Securities Trading Limited.
"Shareholders"	: Registered holders of Shares except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares and where the context admits, mean the Depositors whose securities accounts are credited with Shares.
"Shares"	: Ordinary shares of the Company.
"Temasek"	: Temasek Holdings (Private) Limited.
"Tembusu"	: Tembusu Capital Pte. Ltd..
"Thaicom"	: Thaicom Public Company Limited.
"THB"	: Thai Baht.
"S\$", "SGD" and "cents"	: Singapore dollars and cents, respectively.
"%" or "per cent."	: Per centum or percentage.

The terms **"Depositor"**, **"Depository"** and **"Depository Register"** shall have the meanings ascribed to them respectively in the Securities and Futures Act, Chapter 289 of Singapore.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding.

Letter to Shareholders



Singapore Telecommunications Limited
(Incorporated in the Republic of Singapore)
Company Registration Number: 199201624D
Australian Registered Body Number: 096 701 567

Board:

Simon Israel (*Chairman*)
Chua Sock Koong (*Group CEO*)
Bobby Chin (*Director*)
Venkataraman V Ganesan (*Director*)
Low Check Kian (*Director*)
Peter Mason AM⁽¹⁾ (*Director*)
Christina Ong (*Director*)
Peter Ong (*Director*)
Teo Swee Lian (*Director*)

Registered Office:

31 Exeter Road
Comcentre
Singapore 239732

⁽¹⁾ Member of the Order of Australia

29 September 2016

To: The Shareholders of
Singapore Telecommunications Limited

Dear Sir/Madam

1. INTRODUCTION

1.1 **Proposed Acquisitions and Placement.** On 18 August 2016, the Company announced that:

- (a) its wholly-owned subsidiary, SGIPL, had entered into the Intouch SPA with Aspen to acquire the Intouch Sale Shares. As at the date of the Intouch SPA, the Intouch Sale Shares represent approximately 21% of the Intouch Shares;
- (b) its wholly-owned subsidiary, Magenta, had entered into the BTL SPA with MacRitchie to acquire the BTL Sale Shares. As at the date of the BTL SPA, the BTL Sale Shares represent approximately 7.39% of the BTL Shares; and
- (c) it had entered into the Placement Agreement to allot and issue the New Shares, for cash, to Tembusu (or one or more of Tembusu's nominees).

Aspen, MacRitchie and Tembusu are wholly-owned subsidiaries of Temasek.

A copy of the Announcement is available on the website of the SGX-ST at www.sgx.com.

1.2 **Transactions Inter-conditional.** The Intouch Acquisition, the BTL Acquisition and the Placement are inter-conditional on each other, so that one transaction will not complete if the other transactions do not also complete at the same time. Completion of the Intouch Acquisition, the BTL Acquisition and the Placement will take place contemporaneously.

1.3 **EGM.** The Directors are convening an EGM to be held on 14 October 2016 to seek Shareholders' approval for the Ordinary Resolution relating to the Acquisitions and the Placement, as set out in the Notice of EGM on pages 67 and 68 of this Circular.

1.4 **Circular.** The purpose of this Circular is to provide Shareholders with relevant information relating to the Acquisitions and the Placement, including the rationale for the Acquisitions and the Placement, and to seek Shareholders' approval for the Ordinary Resolution to be proposed at the EGM.

Letter to Shareholders

2. CONSIDERATION

- 2.1 **Intouch.** The price per Intouch Sale Share is THB60.83 (or approximately SGD2.35, based on an exchange rate of THB25.84 to SGD1), and was agreed on an arm's length and willing-buyer willing-seller basis, based on the volume weighted average price of each Intouch Share on the SET calculated for the 20 Thai trading days prior to (and excluding) the date of the Intouch SPA.

The aggregate consideration payable for the Intouch Sale Shares is approximately SGD1,585 million. It will be satisfied in full in cash in Singapore dollars on Completion, and will be funded in part through the utilisation of the cash proceeds from the allotment and issue of the New Shares under the Placement Agreement, with the balance being funded by internal cash and short-term debt.

The number of Intouch Sale Shares may be adjusted if Intouch undertakes any share capital changes (other than in connection with grants of shares to, or exercise of share options by, directors or employees of Intouch, or issue(s) of shares for cash or for an acquisition by Intouch or any of its group companies), so that the resultant shareholding percentage of SGIPL (or its nominee(s), being a wholly-owned subsidiary of Singtel) in Intouch will remain unchanged, and the Intouch Aggregate Consideration may be adjusted if the THB/SGD exchange rate moves beyond a specified margin before Completion, all in accordance with the terms of the Intouch SPA.

- 2.2 **BTL.** The price per BTL Sale Share is INR235.62 (or approximately SGD4.74, based on an exchange rate of INR49.72 to SGD1), and was agreed on an arm's length and willing-buyer willing-seller basis, based on a price per BAL Share of INR323.44, being 90% of INR359.38, which is the volume weighted average price of each BAL Share on the BSE and the NSE calculated for the 20 Indian trading days prior to (and excluding) the date of the BTL SPA, and taking into account the balance proceeds of INR4.78 per BTL Share from BTL's rights issue completed in February 2016.

The aggregate consideration payable for the BTL Sale Shares is approximately SGD884 million. It will be satisfied in full in cash in Singapore dollars on Completion, and will be funded in part through the utilisation of the cash proceeds from the allotment and issue of the New Shares under the Placement Agreement, with the balance being funded by internal cash and short-term debt.

The number of BTL Sale Shares may be adjusted if BTL undertakes any share capital changes, so that the resultant shareholding percentage of Magenta (or its nominee(s), being a wholly-owned subsidiary of Singtel) in BTL will remain unchanged, and the BTL Aggregate Consideration may be adjusted if the INR/SGD exchange rate moves beyond a specified margin before Completion, all in accordance with the terms of the BTL SPA.

- 2.3 **Placement.** The consideration payable for each New Share is SGD4.16⁽¹⁾, and was agreed on an arm's length and willing-buyer willing-seller basis, derived by applying a 1.0% discount to the volume weighted average price of each Share on the SGX-ST for the 20 Singapore trading days prior to (and excluding) the date of the Placement Agreement.

The aggregate consideration payable for the New Shares is approximately SGD1,605 million, and represents approximately 65% of the sum of the Intouch Aggregate Consideration and the BTL Aggregate Consideration.

The New Shares will constitute approximately 2.36% of the enlarged share capital of Singtel following Completion. Following the allotment and issue of the New Shares, Temasek's aggregate interest (direct and deemed) in Singtel will increase from approximately 51.12% of the existing share capital of Singtel as at the Latest Practicable Date to approximately 52.27% of the enlarged share capital of Singtel immediately following such allotment and issuance. The New Shares will on allotment and issue rank *pari passu* in all respects with the then existing Shares.

The number of New Shares may be adjusted if Singtel undertakes any share capital changes (other than in connection with grants of shares to, or exercise of share options by, management or employees of Singtel), so that the resultant shareholding percentage of the Placee in Singtel will remain unchanged, in accordance with the terms of the Placement Agreement. Singtel has undertaken to consult with Tembusu prior to proposing any changes to its share capital before Completion.

⁽¹⁾ Rounded to two decimal places.

Letter to Shareholders

Tembusu has notified Singtel, pursuant to the terms of the Placement Agreement, that Atrium (a wholly-owned subsidiary of Temasek) will be Tembusu's nominee to subscribe for the New Shares on Completion.

- 2.4 **SGX-ST Approval.** On 9 September 2016, the Company announced that it has on 8 September 2016 received the in-principle approval of the SGX-ST for the listing and quotation of the New Shares on the Main Board of the SGX-ST, subject to (*inter alia*) compliance with the SGX-ST's listing requirements and independent Shareholders' approval for the Placement. The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the Placement, the New Shares, the Company and/or its subsidiaries.

3. VALUE OF ASSETS TO BE ACQUIRED

- 3.1 **Intouch Sale Shares.** Based on the volume weighted average price of each Intouch Share on the SET as at the Latest Practicable Date, the latest open market value of each Intouch Sale Share is approximately THB54.11 and accordingly, the aggregate open market value of the Intouch Sale Shares as at the Latest Practicable Date is approximately THB36,438 million (or approximately SGD1,416 million, based on an exchange rate of THB25.73 to SGD1).
- 3.2 **BTL Sale Shares.** The latest net asset value of each BTL Sale Share, based on BTL's audited Indian GAAP accounts as of 31 March 2016, was approximately INR87 and accordingly, the aggregate net asset value of the BTL Sale Shares is approximately INR16,223 million (or approximately SGD329 million, based on an exchange rate of INR49.32 to SGD1).

Based on the volume weighted average price of each BAL Share on the BSE and the NSE as at the Latest Practicable Date, the latest open market value of each BAL Share is approximately INR323.50 and accordingly, the aggregate open market value of the BAL Shares attributable to the BTL Sale Shares as at the Latest Practicable Date is approximately INR43,435 million (or approximately SGD881 million, based on an exchange rate of INR49.32 to SGD1).

4. PRINCIPAL TERMS

- 4.1 **Conditions Precedent.** Completion of the Acquisitions and the Placement is conditional upon the satisfaction of (*inter alia*) the following conditions precedent:
- (a) the approval of the Shareholders at an extraordinary general meeting being obtained for the purchase of the Intouch Sale Shares and the BTL Sale Shares, and the placement of the New Shares to the Placee and the grant of authority to the Directors to allot and issue the New Shares;
 - (b) there not having occurred matter(s) which will result, or be reasonably likely to result, in a reduction by 15% or more in (i) the consolidated net asset value of the Intouch Group as of the Latest Report (other than by reason of a declaration or payment of dividend), or (ii) the consolidated revenue or profit before finance costs and income tax expenses of the Intouch Group calculated for the 12-month period prior to and ending on the Latest Report, in each case, in comparison to the comparable period in the prior year;
 - (c) the approval of the SGX-ST for the listing, quotation and trading of the New Shares on the Main Board of the SGX-ST;
 - (d) all necessary licences and approvals agreed between the parties having been obtained from the appropriate authorities or regulatory bodies; and
 - (e) none of the parties to the relevant agreements, and the relevant target companies and their group companies, having received notice of any injunction or other notice from any governmental or regulatory authorities or courts restraining or prohibiting the Intouch Acquisition, the BTL Acquisition or the Placement.
- 4.2 **Cut-Off Date.** If the relevant conditions precedent are not satisfied and/or waived by the date falling six months after the date of the Intouch SPA (or such other date as the parties may agree in writing), the Intouch SPA, the BTL SPA and the Placement Agreement (other than certain surviving provisions) will terminate and none of the respective parties under each agreement shall have any claim against the other party under such agreement save for any claim arising from antecedent breaches of such agreement.
- 4.3 **Completion.** Completion will take place after all of the conditions precedent under the Intouch SPA, the BTL SPA and the Placement Agreement have been satisfied and/or waived in accordance with the terms of the Intouch SPA, the BTL SPA and the Placement Agreement.

Letter to Shareholders

- 4.4 **Board Nomination.** Subject to Completion having occurred, Aspen will procure its representative on the board of directors of Intouch to resign and will also, on a one-time basis only, use commercially reasonable endeavours as a shareholder of Intouch to support SGIPL's nomination of its representative to the board of directors of Intouch.

5. INFORMATION ON INTOUCH AND BTL

- 5.1 **Information on Intouch.** Intouch is an investment holding company whose shares are listed on the SET. At present, Intouch's principal business units are divided into three main businesses, namely, the wireless telecommunication business, the satellite and international business and the media and other related business. Its primary investments are in AIS and Thaicom. AIS is a mobile operator in Thailand and operates three core businesses, namely, the mobile business, the fixed broadband business and the digital content business. Thaicom operates the satellite and related services business and the internet and media services business.

As at the Latest Practicable Date, Intouch holds approximately 40.45%⁽²⁾ of the share capital of AIS, and approximately 41.14%⁽²⁾ of the share capital of Thaicom. Singtel currently has an interest of approximately 23.32%⁽²⁾ in the share capital of AIS. Following the acquisition of the Intouch Sale Shares and, subject to the adjustments set out in paragraph 2.1 above, Singtel will have an interest of approximately 21%⁽²⁾ in the share capital of Intouch.

- 5.2 **Information on BTL.** BTL is a company limited by shares incorporated in India under the Companies Act, 1956 of India. BTL is a promoter company of BAL, a company whose shares are listed on the BSE and the NSE. The principal activity of BTL is the holding of its investment in BAL.

As at the Latest Practicable Date, BTL holds approximately 45.45%⁽³⁾ of the share capital of BAL. Singtel currently already has an interest of approximately 39.78%⁽⁴⁾ in the share capital of BTL and an interest of approximately 15.01%⁽³⁾ in the share capital of BAL. Following the acquisition of the BTL Sale Shares and, subject to the adjustments set out in paragraph 2.2 above, Singtel's interest in the share capital of BTL will increase from approximately 39.78%⁽⁴⁾ to 47.17%⁽⁴⁾.

6. RATIONALE AND BENEFITS

- 6.1 **Rationale and Benefits for Acquisitions.** The rationale for the Acquisitions is as follows:

- (a) **Unique opportunity to increase economic exposure to high growth telecom sectors in Thailand and India**

The Acquisitions will increase the exposure of the Group to the high growth telecom sectors in Thailand and India driven by rising mobile data penetration and increased usage.

- (b) **Increase interests in quality assets**

Intouch and BTL own assets that are leaders in their respective markets, with strong track records of earnings growth. AIS and BAL have secured spectrum holdings for the long term and invested extensively in their networks. These investments position both companies well to compete and capture the growth in mobile internet services.

- (c) **Support the Group's strategy to drive long term earnings growth by maximising the value of its existing regional investments**

To enhance shareholder value, one of the key strategies of the Group is maximising the value of its existing businesses. This includes securing greater economic benefit from existing associates with strong market fundamentals and operating performance.

⁽²⁾ Based on the issued share capital of Intouch, AIS and Thaicom (as applicable) as at the Latest Practicable Date extracted from the SET.

⁽³⁾ Based on the issued share capital of BAL as at 30 June 2016 extracted from the NSE/BSE.

⁽⁴⁾ Based on the issued share capital of BTL as at 30 June 2016 obtained from BTL.

Letter to Shareholders

(d) **No impact on Singtel's dividend policy**

The Acquisitions are not expected to affect Singtel's dividend policy.

- 6.2 **Rationale and Benefits for Placement.** The Placement will enable Singtel to better manage its capital structure. All of the proceeds from the allotment and issue of the New Shares will be used to fund the respective purchasers' payment obligations under the Intouch SPA and the BTL SPA.

7. INTERESTED PERSON TRANSACTION

- 7.1 **Chapter 9 of the Listing Manual.** Chapter 9 of the Listing Manual governs transactions by an issuer (that is, a company which is listed on the SGX-ST), as well as transactions by the issuer's subsidiaries and associated companies that are considered to be "at risk", with the issuer's interested persons (that is, the issuer's directors, chief executive officer, controlling shareholders and their respective associates). In general, when this Chapter applies to a transaction with an interested person and the value of the transaction singly, or, in aggregation with the values of other transactions entered into with the same interested person in the same financial year equals or exceeds 5% of the issuer's latest audited consolidated NTA, that transaction shall be subject to the approval of the shareholders of the issuer.

As at the Latest Practicable Date, Temasek had a direct interest in 8,132,818,602 Shares and a deemed interest (through interests of subsidiaries and associated companies) in 16,987,913 Shares, representing an aggregate of approximately 51.12% of the issued Shares. Under the Listing Manual, Temasek is deemed to be a "controlling shareholder" of Singtel as it has a more than 15% interest in the issued share capital of Singtel.

Aspen, MacRitchie, Tembusu and Atrium are wholly-owned subsidiaries of Temasek. Under the Listing Manual, each of Aspen, MacRitchie, Tembusu and Atrium is considered to be an "associate" of Temasek, as Temasek holds more than 30% of the issued share capital of each of Aspen, MacRitchie, Tembusu and Atrium. Therefore, for the purposes of Chapter 9 of the Listing Manual, each of Aspen, MacRitchie, Tembusu and Atrium would be considered an "interested person" vis-à-vis Singtel, SGIPL and Magenta, which are each regarded as an "entity at risk" for these purposes. Accordingly, each of the Intouch Acquisition, the BTL Acquisition and the Placement constitutes an "interested person transaction" under Chapter 9 of the Listing Manual.

Save as disclosed in this Circular, Temasek, as majority Shareholder, does not have any other interest, direct or indirect, in the Intouch Acquisition, the BTL Acquisition and/or the Placement.

- 7.2 **NTA.** As at 31 March 2016, 5% of the latest audited consolidated NTA of the Group is approximately SGD608 million.
- 7.3 **Shareholders' Approval.** The Intouch Aggregate Consideration of SGD1,585 million represents approximately 13.0% of the latest audited consolidated NTA of the Group. The BTL Aggregate Consideration of SGD884 million represents approximately 7.3% of the latest audited consolidated NTA of the Group. The Aggregate Issue Price for the New Shares of SGD1,605 million represents approximately 13.2% of the latest audited consolidated NTA of the Group.

As the value of each of the Intouch Acquisition, the BTL Acquisition and the Placement represents more than 5% of the latest audited consolidated NTA of the Group, approval of Shareholders will be required for the purchase of the Intouch Sale Shares and the BTL Sale Shares, and the Placement, in accordance with Chapter 9 of the Listing Manual.

- 7.4 **Restricted Placee.** In addition, in relation to the Placement, the Placee is a restricted placee under Rule 812(1) of the Listing Manual, which states that an issue must not be placed to (amongst others) "substantial shareholders, related companies (as defined in Section 6 of the Companies Act), associated companies and sister companies of the issuer's substantial shareholders". The Placee is a related corporation of Temasek, which is a substantial Shareholder.

Under Rule 812(2) of the Listing Manual, Rule 812(1) will not apply if specific shareholder approval for the Placement is obtained, but Temasek and its associates must abstain from voting on the Ordinary Resolution approving the Placement.

Letter to Shareholders

- 7.5 **Total Value of Interested Person Transactions.** For the period from the beginning of the current financial year, 1 April 2016, to 31 July 2016, the total value of all transactions with the Temasek group (excluding transactions less than SGD100,000 and transactions entered into with members of the Temasek group falling within Rules 908(2) and 915 of the Listing Manual) was approximately SGD6 million, which represents approximately 0.05% of the latest audited consolidated NTA of the Group.

Save for transactions with the Temasek group, there have been no other interested person transactions since the beginning of the current financial year.

- 7.6 **Directors' Interests.** Mr Bobby Chin, a non-executive and independent Director, serves on the board of Temasek. Mr Peter Ong, a non-executive and non-independent Director, was Permanent Secretary of the Ministry of Finance of Singapore until April 2016. Temasek is wholly-owned by the Singapore Minister for Finance (under the Minister for Finance (Incorporation) Act, Chapter 183 of Singapore, the Minister for Finance is a body corporate).

Save as disclosed in this Circular and save for any Shares which they may hold, none of the Directors has any interest, direct or indirect, in the Intouch Acquisition, the BTL Acquisition and/or the Placement.

- 7.7 **Abstention.** Temasek, Mr Bobby Chin and Mr Peter Ong will abstain, and will undertake to ensure that its/his associates (as defined in the Listing Manual) will abstain, from voting on the Ordinary Resolution to be proposed at the EGM to approve the Acquisitions and the Placement, and the grant of authority to the Directors to allot and issue the New Shares. Mr Bobby Chin and Mr Peter Ong will also decline to accept appointment as proxy for any Shareholder to vote in respect of the Ordinary Resolution, unless the Shareholder concerned shall have given instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of the Ordinary Resolution.

8. INDEPENDENT FINANCIAL ADVISER

- 8.1 **IFA.** Lazard has been appointed as the IFA in relation to the Intouch Acquisition, the BTL Acquisition and the Placement. Shareholders should consider carefully the recommendation of the Independent Directors and the opinion of Lazard to the Independent Directors contained in the IFA Letter. After having carefully considered the information available to them, and based on the IFA Letter and subject to their terms of reference as set out in section 2 of the IFA Letter, as at the Latest Practicable Date, Lazard is of the opinion that the terms of the Intouch Acquisition, the BTL Acquisition and the Placement (each taken individually and on a combined basis) as interested person transactions are (1) on normal commercial terms and (2) not prejudicial to the interests of the Company and its minority Shareholders.
- 8.2 **IFA Letter.** The IFA Letter is set out in the Appendix to this Circular. The Independent Directors advise the minority Shareholders to read this Circular carefully and in its entirety.
- 8.3 **Consent.** Lazard has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the IFA Letter and all references thereto in the form and context in which they appear in this Circular.

9. AUDIT COMMITTEE STATEMENT

The Audit Committee has (with Mr Bobby Chin and Mr Peter Ong both abstaining and not participating in the discussions relating to the Acquisitions and the Placement) considered the terms of the Acquisitions and the Placement, and the opinion of Lazard set out in the IFA Letter, and is of the view that the terms of the Intouch Acquisition, the BTL Acquisition and the Placement (each taken individually and on a combined basis) as interested person transactions are (1) on normal commercial terms and (2) not prejudicial to the interests of the Company and its minority Shareholders.

Letter to Shareholders

10. INDEPENDENT DIRECTORS' RECOMMENDATION

- 10.1 **Independent Directors' Recommendation.** Having considered the terms, and the rationale and benefits, of the Acquisitions and the Placement, as well as the opinion of Lazard set out in the IFA Letter that the terms of the Intouch Acquisition, the BTL Acquisition and the Placement (each taken individually and on a combined basis) as interested person transactions are (1) on normal commercial terms and (2) not prejudicial to the interests of the Company and its minority Shareholders, the Independent Directors are unanimously of the view that the Acquisitions and the Placement are in the best interests of the Company and the Shareholders. Accordingly, the Independent Directors unanimously recommend that Shareholders vote in favour of the Ordinary Resolution (as set out in the Notice of EGM on pages 67 and 68 of this Circular) at the EGM to be held on 14 October 2016.

As stated in paragraph 7.6 above, Mr Bobby Chin, a non-executive and independent Director, serves on the board of Temasek. Further, Mr Peter Ong, a non-executive and non-independent Director, was Permanent Secretary of the Ministry of Finance of Singapore until April 2016. Temasek is wholly-owned by the Singapore Minister for Finance (under the Minister for Finance (Incorporation) Act, Chapter 183 of Singapore, the Minister for Finance is a body corporate). As such, Mr Bobby Chin and Mr Peter Ong are not considered to be independent in relation to the Acquisitions and the Placement, and they have accordingly abstained from making any recommendation to Shareholders and have not participated in the discussions relating to the Acquisitions and the Placement.

- 10.2 **No Regard to Specific Objectives.** In giving the above recommendation, the Independent Directors have not had regard to any general or specific investment objectives, financial situations, risk profiles, tax positions or particular needs or constraints of any individual Shareholder or any specific group of Shareholders. As different Shareholders have different investment profiles and objectives, the Independent Directors recommend that any Shareholder who may require specific advice in relation to his or her investment portfolio should consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

11. FINANCIAL EFFECTS

- 11.1 **Illustrative Financial Effects.** For illustrative purposes only, the financial effects of the Acquisitions and the Placement on the (1) NTA per Share, (2) EPS, and (3) share capital of the Group, based on the audited consolidated financial statements of the Group for FY2016, are set out below.

- 11.2 **NTA.** Assuming that the Acquisitions and the Placement had been completed on 31 March 2016, being the end of the most recently completed financial year of the Group, the proforma financial effects on the consolidated NTA per share of the Group as at 31 March 2016 are as follows:

	Before the Acquisitions and the Placement	After the Acquisitions and the Placement
NTA (SGD million)	12,164	13,770
NTA per Share (Singapore cents)	76.3	84.4

- 11.3 **EPS.** Assuming that the Acquisitions and the Placement had been completed on 1 April 2015, being the beginning of the most recently completed financial year of the Group, the proforma financial effects on the consolidated EPS of the Group for FY2016 are as follows:

	Before the Acquisitions and the Placement	After the Acquisitions and the Placement
Profits attributable to Shareholders ⁽¹⁾ (SGD million)	3,871	3,979
EPS (Singapore cents)	24.3	24.4

Note:

- ⁽¹⁾ "Profits attributable to Shareholders" means profits after tax and minority interests. Further, the profits attributable to Shareholders after the Acquisitions include the effects of financing and the amortisation of intangibles identified in the Acquisitions on a provisional basis.

Letter to Shareholders

- 11.4 **Share Capital.** Assuming that the Placement for the New Shares had been completed on 31 March 2016, being the end of the most recently completed financial year of the Group, the proforma financial effects on the share capital of the Group as at 31 March 2016 are as follows:

	Before the Placement	After the Placement
Share capital (SGD million)	2,634	4,239
Number of issued Shares (million)	15,944	16,329

12. DIRECTORS' AND SUBSTANTIAL SHAREHOLDER'S INTERESTS

- 12.1 **Directors' Interests.** The interests of the Directors in Shares, as extracted from the Register of Directors' Shareholdings, as at the Latest Practicable Date are set out below:

	Number of Shares			Total Percentage Interest ⁽¹⁾
	Direct Interest	Deemed Interest	Total Interest	
Ordinary Shares				
Simon Israel	836,275 ⁽²⁾	1,360 ⁽³⁾	837,635	nm ⁽⁸⁾
Chua Sock Koong	7,034,926 ⁽⁴⁾	5,156,191 ⁽⁵⁾	12,191,117	0.1
Bobby Chin	–	–	–	–
Low Check Kian	1,490	–	1,490	nm ⁽⁸⁾
Peter Mason AM	–	–	–	–
Christina Ong	–	–	–	–
Peter Ong	870	1,537 ⁽⁶⁾	2,407	nm ⁽⁸⁾
Teo Swee Lian	1,550	–	1,550	nm ⁽⁸⁾
American Depositary Shares				
Venkataraman V Ganesan	3,341 ⁽⁷⁾	–	3,341 ⁽⁷⁾	nm ⁽⁸⁾

Notes:

- ⁽¹⁾ Based on the total number of issued Shares as at the Latest Practicable Date.
- ⁽²⁾ 831,864 Shares held in the name of Citibank Nominees Singapore Pte Ltd and 4,411 Shares held in the name of DBS Nominees (Private) Limited.
- ⁽³⁾ Held by spouse of Mr Simon Israel.
- ⁽⁴⁾ 688,750 Shares held in the name of DBS Nominees (Private) Limited.
- ⁽⁵⁾ This comprises:
- (a) 28,137 Shares held by spouse of Ms Chua Sock Koong; and
- (b) an aggregate of up to 5,128,054 Shares awarded to Ms Chua Sock Koong pursuant to the Singtel Performance Share Plan 2012 (the "**Singtel PSP 2012**"), subject to certain performance criteria being met and other terms and conditions. Depending on the extent of the satisfaction of the relevant minimum performance criteria, up to an aggregate of 7,601,822 Shares may be released pursuant to the conditional awards granted.
- According to the Register of Directors' Shareholdings, Ms Chua had a deemed interest in 10,836,742 Shares held by DBS Trustee Limited, the trustee of a trust established for the purposes of the Singtel Performance Share Plan 2003 and the Singtel PSP 2012 for the benefit of eligible employees of the Group, as at 19 November 2012, being the date on which the Securities and Futures (Disclosure of Interests) Regulations 2012 (the "**SFA (DOI) Regulations**") came into operation. Under regulation 6 of the SFA (DOI) Regulations, Ms Chua is exempted from reporting interests, and changes in interests, in Shares held by the trust, with effect from 19 November 2012.
- ⁽⁶⁾ Held by spouse of Mr Peter Ong.
- ⁽⁷⁾ Rounded to the nearest American Depositary Share. One American Depositary Share represents 10 Shares.
- ⁽⁸⁾ "nm" means not meaningful.

Letter to Shareholders

- 12.2 **Substantial Shareholder's Interests.** The interests of the substantial Shareholder in Shares as at the Latest Practicable Date are set out below:

	Number of Shares		Total Percentage Interest ⁽¹⁾
	Direct Interest	Deemed Interest	
Temasek Holdings (Private) Limited	8,132,818,602	16,987,913 ⁽²⁾	51.12

Notes:

⁽¹⁾ Based on the total number of issued Shares as at the Latest Practicable Date.

⁽²⁾ Deemed through interests of subsidiaries and associated companies.

13. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 67 and 68 of this Circular, will be held at Sands Expo and Convention Centre, Marina Bay Sands Level 4, Roselle-Simpor Main Ballroom 4601-4806, 10 Bayfront Avenue, Singapore 018956 on Friday, 14 October 2016 at 3.00 p.m. for the purpose of considering and, if thought fit, passing with or without any modifications, the Ordinary Resolution set out in the Notice of EGM.

14. ACTION TO BE TAKEN BY SHAREHOLDERS

- 14.1 **Appointment of Proxies.** If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend, speak and vote on his behalf, he should complete, sign and return the Proxy Form enclosed with this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road #05-01, Singapore 068902, not less than 72 hours before the time appointed for the EGM.

The completion and return of the Proxy Form by a Shareholder will not prevent him from attending, speaking and voting at the EGM in person if he so wishes and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form, to the EGM.

- 14.2 **When Depositor regarded as Shareholder.** A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by CDP as at 72 hours before the EGM.

15. FURTHER INFORMATION

- 15.1 **Discloseable Transaction.** The relative figures for the Acquisitions and the Placement computed on the bases set out in Rule 1006 of the Listing Manual are set out below:

Rule 1006	Bases	Aggregate Relative Figures (%)
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	N.A. ⁽¹⁾
(b)	Net profits attributable to the assets acquired, compared with the Group's net profits	7.6 ⁽²⁾
(c)	Aggregate value of the consideration given, compared with Singtel's market capitalisation based on the total number of issued Shares as at 17 August 2016, being the market day preceding the date of the Intouch SPA and the BTL SPA	3.7 ⁽³⁾
(d)	Number of equity securities issued by Singtel as consideration for the Acquisitions, compared with the number of equity securities previously in issue	2.4 ⁽⁴⁾
(e)	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	N.A. ⁽⁵⁾

Letter to Shareholders

Notes:

- ⁽¹⁾ Rule 1006(a) of the Listing Manual is not applicable to an acquisition of assets.
- ⁽²⁾ Under Rule 1002(3)(b) of the Listing Manual, "**net profits**" means profit or loss before income tax, minority interests and extraordinary items. Rule 1006(b) of the Listing Manual was computed based on the unaudited net profits attributable to the Intouch Sale Shares and the BTL Sale Shares for the three months ended 30 June 2016 of approximately SGD87 million, divided by the Group's latest unaudited consolidated net profits for the three months ended 30 June 2016 of approximately SGD1,148 million.
- ⁽³⁾ Rule 1006(c) of the Listing Manual was computed based on the sum of the Intouch Aggregate Consideration and the BTL Aggregate Consideration of SGD2,469 million, and the market capitalisation of Singtel of SGD67,354 million as at 17 August 2016, being the market day preceding the date of the Intouch SPA and the BTL SPA. Singtel's market capitalisation was determined by multiplying the number of Shares (excluding treasury shares) by the weighted average price of SGD4.23 per Share on 17 August 2016.
As stated in paragraphs 2.1 and 2.2 above, the Intouch Aggregate Consideration and the BTL Aggregate Consideration may be adjusted if the relevant exchange rate moves beyond a specified margin, all in accordance with the terms of the Intouch SPA and the BTL SPA respectively.
- ⁽⁴⁾ Rule 1006(d) of the Listing Manual was computed on the basis that 385,581,351 New Shares will be allotted and issued pursuant to the Placement Agreement to enable Singtel to fund part of the cash consideration for the Acquisitions, and based on the total number of Shares of approximately 15,944 million Shares as at 17 August 2016, being the market day preceding the date of the Placement Agreement.
- ⁽⁵⁾ Rule 1006(e) of the Listing Manual is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of assets.

As the aggregate relative figure for the Acquisitions and the Placement computed under Rule 1006(b) exceeds 5% but is less than 20%, the Acquisitions and the Placement together constitute a "discloseable transaction" for the purposes of Chapter 10 of the Listing Manual.

- 15.2 **Directors' Service Contracts.** No person is proposed to be appointed as a director of Singtel in connection with the Intouch Acquisition, the BTL Acquisition and/or the Placement. Accordingly, no service contract is proposed to be entered into between Singtel and any such person.

16. INSPECTION OF DOCUMENTS

Copies of the following documents are available for inspection at the registered office of the Company at 31 Exeter Road, Comcentre, Singapore 239732 during normal business hours for three months from the date of the Announcement:

- (a) the Intouch SPA;
- (b) the BTL SPA;
- (c) the Placement Agreement;
- (d) the IFA Letter;
- (e) the written consent from Lazard referred to in paragraph 8.3 above;
- (f) the Annual Report of the Company for the financial year ended 31 March 2016; and
- (g) the Constitution of the Company.

Letter to Shareholders

17. DIRECTORS' RESPONSIBILITY STATEMENT

Save for the IFA Letter, the Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Intouch Acquisition, the BTL Acquisition and the Placement, and the Company and its subsidiaries which are relevant to the Intouch Acquisition, the BTL Acquisition and the Placement, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source (including the IFA Letter), the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

Yours faithfully
for and on behalf of
the Board of Directors of
SINGAPORE TELECOMMUNICATIONS LIMITED

SIMON ISRAEL
Chairman

Letter from

LAZARD ASIA LIMITED

**to the Independent Directors of
Singapore Telecommunications Limited**

LETTER FROM LAZARD ASIA LIMITED TO THE INDEPENDENT DIRECTORS OF SINGAPORE TELECOMMUNICATIONS LIMITED

29 September 2016

The Independent Directors
Singapore Telecommunications Limited
31 Exeter Road, Comcentre
Singapore 239732

Dear Sirs,

PROPOSED ACQUISITION BY SUBSIDIARIES OF SINGAPORE TELECOMMUNICATIONS LIMITED OF A 21.0% EQUITY STAKE IN INTOUCH HOLDINGS PUBLIC COMPANY LIMITED AND A 7.39% EQUITY STAKE IN BHARTI TELECOM LIMITED, FROM SUBSIDIARIES OF TEMASEK HOLDINGS (PRIVATE) LIMITED, AND A PLACEMENT OF SHARES BY SINGAPORE TELECOMMUNICATIONS LIMITED TO TEMBUSU CAPITAL PTE. LTD. OR ONE OR MORE OF ITS NOMINEES

1 INTRODUCTION

On 18 August 2016 (the "**Proposed Acquisition Announcement Date**"), Singapore Telecommunications Limited ("**Singtel**" or the "**Company**") announced that:

- (i) its wholly-owned subsidiary, Singtel Global Investment Pte. Ltd. ("**SGIPL**"), had entered into a conditional sale and purchase agreement (the "**Intouch SPA**") with Aspen Holdings Limited ("**Aspen**") to acquire 673,348,264 shares (the "**Intouch Sale Shares**") of Intouch Holdings Public Company Limited ("**Intouch**") (the "**Proposed Intouch Acquisition**"). As at the date of the Intouch SPA, the Intouch Sale Shares represent approximately 21.0% of the issued and paid-up shares of Intouch (the "**Intouch Shares**"); and
- (ii) its wholly-owned subsidiary, Magenta Investments Limited ("**Magenta**"), had entered into a conditional sale and purchase agreement (the "**BTL SPA**") with MacRitchie Investments Pte. Ltd. ("**MacRitchie**") to acquire 186,618,016 shares (the "**BTL Sale Shares**") of Bharti Telecom Limited ("**BTL**") (the "**Proposed BTL Acquisition**"). As at the date of the BTL SPA, the BTL Sale Shares represent approximately 7.39% of the total number of equity shares of BTL (the "**BTL Shares**")

(together, the "**Proposed Acquisitions**").

Inter-conditional with the Proposed Acquisitions, Singtel also announced that it had entered into a conditional placement agreement (the "**Placement Agreement**") to allot and issue 385,581,351 new ordinary shares (the "**New Shares**"), for cash, to Tembusu Capital Pte. Ltd. ("**Tembusu**") (or one or more of Tembusu's nominees (such nominee or Tembusu being, the "**Placee**")), having a total value of approximately SGD1,605 million and issued at a price of SGD4.16¹ per New Share (the "**Issue Price**"), representing a 1.0% discount to the volume weighted average price ("**VWAP**") of each Singtel share traded on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Singtel Shares**") for the 20 Singapore trading days prior to (and excluding) the date of the Placement Agreement (the "**Placement**").

Each of Aspen, MacRitchie and Tembusu are wholly-owned subsidiaries of Temasek Holdings (Private) Limited ("**Temasek**"). Tembusu has notified Singtel, pursuant to the Placement Agreement, that Atrium Investments Pte. Ltd. ("**Atrium**") (a wholly-owned subsidiary of Temasek) will be Tembusu's nominee to subscribe for the New Shares on Completion.

The Proposed Intouch Acquisition, the Proposed BTL Acquisition and the Placement are inter-conditional on each other, so that one transaction will not complete if the other transactions do not also complete at the same time. Completion of the Proposed Intouch Acquisition, the Proposed BTL Acquisition and the Placement ("**Completion**") will take place contemporaneously.

¹ Rounded to two decimal places.

The price per Intouch Sale Share is THB60.83 (or approximately SGD2.35, based on an exchange rate of THB25.84 to SGD1) (the "**Intouch Acquisition Price**"). We have been advised by Singtel that the Intouch Acquisition Price was agreed on an arm's length and willing-buyer willing-seller basis, based on the VWAP of each Intouch Share on the Stock Exchange of Thailand ("**SET**") calculated for the 20 Thai trading days prior to (and excluding) the date of the Intouch SPA.

The aggregate consideration payable for the Intouch Sale Shares (the "**Intouch Purchase Consideration**") is approximately SGD1,585 million. It will be satisfied in full in cash in Singapore dollars on Completion, and will be funded in part through the utilisation of the cash proceeds from the allotment and issue of the New Shares under the Placement Agreement, with the balance being funded by internal cash and short-term debt.

The price per BTL Sale Share is INR235.62 (or approximately SGD4.74, based on an exchange rate of INR49.72 to SGD1) (the "**BTL Acquisition Price**"). We have been advised by Singtel that the BTL Acquisition Price was agreed on an arm's length and willing-buyer willing-seller basis, based on a price per Bharti Airtel Limited ("**BAL**") share (each a "**BAL Share**") of INR323.44 (the "**Agreed BAL Market Trading Price**"), being 90% of INR359.38, which is the VWAP of each BAL Share on BSE Limited (formerly known as Bombay Stock Exchange Limited) ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") calculated for the 20 Indian trading days prior to (and excluding) the date of the BTL SPA, and taking into account the balance proceeds of INR4.78 per BTL share from BTL's rights issue completed in February 2016. As such, the BTL Acquisition Price implies a total price per BAL Share of INR330.13, based on an effective interest ratio of 0.71 BAL Shares per BTL Share.

The aggregate consideration payable for the BTL Sale Shares (the "**BTL Purchase Consideration**") is approximately SGD884 million. It will be satisfied in full in cash in Singapore dollars on Completion, and will be funded in part through the utilisation of the cash proceeds from the allotment and issue of the New Shares under the Placement Agreement, with the balance being funded by internal cash and short-term debt.

Upon Completion of the Proposed Acquisitions, which will result in the acquisition of the Intouch Sale Shares by SGIPL (or its nominee(s), each being a wholly-owned subsidiary of Singtel) and the acquisition of the BTL Sale Shares by Magenta (or its nominee(s), each being a wholly-owned subsidiary of Singtel), Singtel will have an interest of approximately 21.0%² in Intouch and an interest of approximately 47.2%³ in BTL. The Proposed Acquisitions will also result in Singtel increasing its economic interest in its key associates, Advanced Info Service Public Company Limited ("**AIS**") and BAL. Singtel's economic interest in AIS (in which Intouch currently holds an approximate 40.5%² stake) will increase from approximately 23.3%² to 31.8%², and its economic interest in BAL (in which BTL currently holds an approximate 45.5%⁴ stake) will increase from approximately 33.1%⁴ to 36.4%⁴.

Temasek has a direct interest in 8,132,818,602 ordinary shares of Singtel and a deemed interest (through interests of subsidiaries and associated companies) in 16,987,913 ordinary shares of Singtel, representing an aggregate of approximately 51.1% of Singtel's issued ordinary shares as at 8 September 2016 (the "**Latest Practicable Date**"). Under the Listing Manual of the SGX-ST, Temasek is deemed to be a 'controlling shareholder' of Singtel as it has a more than 15% interest in the issued share capital of Singtel.

Aspen, MacRitchie, Tembusu and Atrium are wholly-owned subsidiaries of Temasek. Under the Listing Manual of the SGX-ST, each of Aspen, MacRitchie and the Placee is considered to be an 'associate' of Temasek, as Temasek holds more than 30% of the issued share capital of each of Aspen, MacRitchie and the Placee. Therefore, for the purposes of Chapter 9 of the Listing Manual of the SGX-ST, each of Aspen, MacRitchie and the Placee would be considered an 'interested person' vis-à-vis Singtel, SGIPL and Magenta, which are each regarded as an 'entity at risk' for these purposes. Accordingly, each of the Proposed Intouch Acquisition, the Proposed BTL Acquisition and the Placement constitutes an 'interested person transaction' under Chapter 9 of the Listing Manual of the SGX-ST ("**Interested Person Transaction**").

² Based on the issued share capital of Intouch, AIS and Thaicom (as applicable) as at the Latest Practicable Date extracted from the SET.

³ Based on the issued share capital of BTL as at 30 June 2016 obtained from BTL.

⁴ Based on the issued share capital of BAL as at 30 June 2016 extracted from the NSE/BSE.

Furthermore, as the value of each of the Proposed Acquisitions and the Placement exceeds 5% of the Company's latest audited consolidated net tangible assets ("**NTA**") of approximately SGD12.2 billion as at 31 March 2016, the approval of Singtel's shareholders ("**Shareholders**" or "**Singtel Shareholders**") who are considered independent of the Proposed Acquisitions and the Placement (the "**Minority Shareholders**") is required pursuant to Rules 906 and 918 of the Listing Manual of the SGX-ST. In addition, in relation to the Placement, the Placee is a restricted placee under Rule 812(1) of the Listing Manual of the SGX-ST, which states that an issue must not be placed to (amongst others) "*substantial shareholders, related companies (as defined in Section 6 of the Companies Act), associated companies and sister companies of the issuer's substantial shareholders*". The Placee is a related corporation of Temasek, which is a substantial Shareholder. Under Rule 812(2) of the Listing Manual of the SGX-ST, Rule 812(1) will not apply if specific shareholder approval for the Placement is obtained, but Temasek and its associates must abstain from voting on the ordinary resolution approving the Placement. Approval from the Minority Shareholders for the Proposed Acquisitions and the Placement will be sought through a single resolution, covering the Proposed Intouch Acquisition, the Proposed BTL Acquisition and the Placement on a combined basis. Details around the relevant Shareholders' resolution is outlined in further detail in the notice of extraordinary general meeting set out in the Company's circular to Shareholders dated 29 September 2016 (the "**Circular**").

2 TERMS OF REFERENCE

Lazard Asia Limited ("**Lazard**") has been appointed to act as the Independent Financial Adviser ("**IFA**") to the directors of the Company (the "**Directors**") who are considered to be independent for the purposes of making a recommendation to the Shareholders in respect of the Proposed Acquisitions and the Placement ("**Independent Directors**"). This letter sets out our opinion arising from our evaluation of the Proposed Intouch Acquisition, the Proposed BTL Acquisition and the Placement as to whether they are on normal commercial terms and are not prejudicial to the interests of the Company and the Minority Shareholders. Our opinion is for the use and benefit of the Independent Directors and the recommendations made by them to the Minority Shareholders are the responsibility of the Independent Directors. This letter forms part of the Circular and we recommend that the Independent Directors advise the Minority Shareholders to read the Circular carefully and in its entirety.

Unless otherwise defined in this letter or where the context otherwise requires, all terms defined in the Circular shall have the same meaning when used in this letter.

For the purpose of our evaluation of the Proposed Acquisitions and the Placement from a financial point of view, we have:

- (i) reviewed certain publicly available financial statements and other publicly available business and financial information relating to Singtel, BTL, BAL, Intouch, AIS and Thaicom as well as certain public information provided, and statements made, to us by the Independent Directors, management and other authorised representatives of Singtel;
- (ii) participated in discussions with representatives of Singtel with respect to the financial condition of Singtel, BTL, BAL, Intouch and AIS;
- (iii) reviewed the reported prices, trading multiples and trading activity for the Singtel Shares, Intouch Shares, the shares of AIS traded on the SET (the "**AIS Shares**") and BAL Shares;
- (iv) compared the reported prices, trading multiples and trading activity with those of certain other comparable publicly-traded companies and their securities we deemed relevant;
- (v) compared the proposed financial terms of the BTL Acquisition Price and Intouch Acquisition Price with the publicly available financial terms of certain transactions involving companies we deemed relevant and the consideration received for such companies;
- (vi) reviewed broker research on BAL, Intouch and AIS prior to, and after, the Proposed Acquisition Announcement Date;
- (vii) participated in discussions with representatives of Singtel with respect to the Proposed Acquisitions;
- (viii) reviewed and relied on certain internal financial analyses prepared by representatives of Singtel with respect to the Proposed Acquisitions;

- (ix) compared the terms of the Placement (including the Issue Price) with selected comparable transactions;
- (x) reviewed the Circular; and
- (xi) performed such other financial analyses, reviewed such other information and considered such other matters as we deemed appropriate.

We do not make any representation, evaluate and/or comment on the strategic or commercial merits of the Proposed Acquisitions or the Placement or on the prospects of Singtel upon Completion or rejection of the Proposed Acquisitions and the Placement. We do not address the relative merits of the Proposed Acquisitions and the Placement as compared to any other alternative transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. This opinion is necessarily based on financial, political, economic, market, industry, monetary, regulatory and other conditions in effect on, and the information made available to us, as at the Latest Practicable Date. Such conditions may change significantly over a short period of time. Accordingly, we do not express any opinion or view on the future prospects, financial performance and/or financial position of Singtel, or on the price at which the Singtel Shares, BAL Shares, Intouch Shares, AIS Shares or the shares of Thaicom traded on the SET may trade upon Completion or rejection of the Proposed Acquisitions and the Placement. Our evaluation of the Proposed Acquisitions and the Placement, from a financial point of view, does not and cannot take into account the future trading activities or patterns or price levels that may be established beyond the Latest Practicable Date. Shareholders should take note of any announcement and/or documents relevant to their consideration of the Proposed Acquisitions and the Placement which may be released by Singtel after the Latest Practicable Date.

Events occurring after the Latest Practicable Date may affect this opinion and the assumptions used in preparing it. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein.

We were neither a party to the negotiations entered into in relation to the Proposed Acquisitions or the Placement nor were we involved in the discussions leading up to any decisions on the part of the Independent Directors regarding the Proposed Acquisitions and the Placement.

For the purposes of this letter, we have relied upon and assumed (*inter alia*) the accuracy and completeness of all information that was publicly available or was furnished to us or discussed with management of Singtel or otherwise reviewed by or for us. We are not legal, regulatory or tax experts. We do not represent or warrant, expressly or impliedly, and do not accept or assume any responsibility for, the accuracy, completeness or adequacy of such information. We have not conducted any independent valuation or appraisal of any assets or liabilities of Singtel, BTL, BAL, Intouch, AIS, Thaicom, their subsidiaries, their associated companies, parties acting in concert with them or any other relevant party to the Proposed Acquisitions and the Placement. We do not accept any responsibility for the accuracy of information provided in the Circular (other than this letter or any references to this letter or any extracts from this letter in the Circular), nor the truth of or completeness of the information of all material facts about the Proposed Acquisitions, Singtel, BTL, BAL, Intouch, AIS, Thaicom and their subsidiaries and associated companies, in the Circular (including any fact the omission of which would make any statement in the Circular misleading) (other than this letter or any references to this letter or any extracts from this letter in the Circular). We have nevertheless made reasonable enquiries and used our judgment as we deemed necessary or appropriate in assessing the reasonable use of such information and are not aware of any reason to doubt the reliability of the information.

In addition, we have assumed that the Proposed Acquisitions and the Placement will be consummated in accordance with the terms set forth in the Circular without any waiver, amendment or delay of any terms or conditions. Lazard has assumed that, in connection with the receipt of all necessary governmental, regulatory or other approvals and consents required for the Proposed Acquisitions and the Placement, no delays, limitations, conditions or restrictions will be imposed that would otherwise have a material adverse effect on the contemplated benefits expected to be derived from the Proposed Acquisitions and the Placement.

In rendering our opinion, we have not had regard to any general or specific investment objectives, financial situations, risk profiles, tax positions or particular needs or constraints of any individual Singtel Shareholder or any specific group of Singtel Shareholders and do not assume any responsibility for, nor hold ourselves out as advisers to, any person other than the Independent Directors. As different Singtel Shareholders have different investment profiles and objectives, we advise the Independent Directors to recommend that any Singtel Shareholder who may require specific advice in relation to his or her investment portfolio should consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Singtel is separately advised by its own professional advisers in the preparation of the Circular (other than this letter). We have no role or involvement and have not and will not provide any advice (financial or otherwise) whatsoever in the preparation, review and verification of the Circular (other than this letter or any references to this letter or any extracts from this letter in the Circular). Accordingly, we take no responsibility for and express no views, whether express or implied, on the contents of the Circular (except for this letter or any references to this letter or any extracts from this letter in the Circular).

A copy of this letter will be reproduced in the Circular and made available for inspection at the registered office of the Company. However neither Singtel nor its Directors may reproduce, disseminate or quote this letter (or any part thereof) for any other purposes, other than the intended purpose in relation to the Proposed Acquisitions and the Placement, at any time or in any manner without our prior written consent.

This letter is provided to the Independent Directors for their benefit in connection with and for the purposes of their consideration of the Proposed Acquisitions and the Placement, for inclusion in the Circular and for the Independent Directors' recommendation to Shareholders as to whether to exercise the voting rights in their shares in favour of or against the Proposed Acquisitions and the Placement. The recommendations made by the Independent Directors to the Minority Shareholders remain the responsibility of the Independent Directors.

Our opinion in relation to the Proposed Acquisitions and the Placement should be considered in the context of the entirety of this letter.

3 TERMS AND CONDITIONS OF THE PROPOSED ACQUISITIONS AND THE PLACEMENT

Information on the terms and conditions of the Proposed Acquisitions and the Placement has been set out in sections 1 – 4 of the Circular.

We highlight the following in respect of the information and key terms relating to the Proposed Acquisitions and the Placement:

- (i) Introduction
Refer to section 1 of the Circular.
- (ii) Consideration
Refer to section 2 of the Circular.
- (iii) Value of Assets to be Acquired
Refer to section 3 of the Circular.
- (iv) Principal Terms
Refer to section 4 of the Circular.

4 INFORMATION ON INTOUCH

Information on Intouch has been set out in section 5 of the Circular.

5 INFORMATION ON BTL

Information on BTL has been set out in section 5 of the Circular.

6 RATIONALE FOR, AND BENEFITS OF, THE PROPOSED ACQUISITIONS AND THE PLACEMENT, AND OTHER CONSIDERATIONS ASSESSED BY SINGTEL

Information regarding the rationale for, and benefits of, the Proposed Acquisitions and the Placement, and other considerations assessed by Singtel has been set out in section 6 of the Circular.

The commentary below should be read in conjunction with, and interpreted in the full context of, section 6 of the Circular.

In particular, we note the following comments made by Singtel:

- (i) **The Proposed Acquisitions provide Singtel with a unique opportunity to increase economic exposure to high growth telecom sectors in Thailand and India.** The Proposed Acquisitions will increase the exposure of Singtel and its subsidiaries (the “Singtel Group”) to the high growth telecom sectors in Thailand and India driven by rising mobile data penetration and increased usage;
- (ii) **The Proposed Acquisitions provide Singtel with an opportunity to increase interests in quality assets.** Intouch and BTL own assets that are leaders in their respective markets, with strong track records of earnings growth. AIS and BAL have secured spectrum holdings for the long term and invested extensively in their networks. These investments position both companies well to compete and capture the growth in mobile internet services;
- (iii) **The Proposed Acquisitions support Singtel Group’s strategy to drive long term earnings growth by maximising the value of its existing regional investments.** To enhance shareholder value, one of the key strategies of the Singtel Group is maximising the value of its existing businesses. This includes securing greater economic benefit from existing associates with strong market fundamentals and operating performance;
- (iv) **The Proposed Acquisitions are not expected to affect Singtel’s dividend policy;** and
- (v) **The Placement will enable Singtel to better manage its capital structure.** All of the proceeds from the allotment and issue of the New Shares will be used to fund the respective purchasers’ payment obligations under the Intouch SPA and the BTL SPA.

7 APPROACH TAKEN FOR THE EVALUATION OF THE PROPOSED ACQUISITIONS AND THE PLACEMENT

Based on the terms agreed between the respective parties to the Intouch SPA, the BTL SPA and the Placement Agreement, the Proposed Intouch Acquisition, the Proposed BTL Acquisition and the Placement are all inter-conditional.

Our evaluation of the Proposed Acquisitions and the Placement is undertaken in three parts – first, an evaluation, from a financial point of view, and an opinion in respect of, the Proposed Intouch Acquisition (being the acquisition of the Intouch Sale Shares from Aspen) which is set out in section 8; secondly, an evaluation, from a financial point of view, and an opinion in respect of, the terms of the Proposed BTL Acquisition (being the acquisition of the BTL Sale Shares from MacRitchie) which is set out in section 9; third, an evaluation, from a financial point of view, and an opinion in respect of, the Placement which is set out in section 10; and finally, an overall conclusion in relation to the Proposed Acquisitions and the Placement on a combined basis, which follows from our evaluation of the Proposed Intouch Acquisition, the Proposed BTL Acquisition and the Placement individually. We have also set out information relating to the proforma financial effects of the Proposed Acquisitions and the Placement in section 11.

8 EVALUATION OF THE PROPOSED INTOUCH ACQUISITION

In evaluating the Proposed Intouch Acquisition, we have undertaken the following analyses based on publicly available information, information provided to us by Singtel and market, economic, industry, monetary and other conditions in effect as at the Latest Practicable Date. In our evaluation of the Proposed Intouch Acquisition, we have given due consideration to the following factors:

- (i) **Rationale for and benefits** of the Proposed Intouch Acquisition and other considerations assessed by Singtel;
- (ii) **Liquidity and broker research coverage analysis** to evaluate whether the historical share prices of Intouch provide a meaningful reference for comparison against the Intouch Acquisition Price;
- (iii) **Historical share price performance analysis** to evaluate how the Intouch Acquisition Price compares to the historical share prices of Intouch over different observation periods;
- (iv) **Trading comparables analysis** to evaluate how the valuation multiples implied by the Intouch Acquisition Price compare to trading multiples of listed comparable companies;
- (v) **Precedent transaction analysis** to evaluate how the valuation multiples implied by the Intouch Acquisition Price compare to multiples of selected transactions in the telecommunications industry in Asia;
- (vi) **Broker research price targets** for the Intouch Shares to evaluate how the Intouch Acquisition Price compares to broker research price targets for Intouch in reports issued prior to, and after, the Proposed Acquisition Announcement Date; and
- (vii) **Sum-of-the-parts/discounted cash flow analysis** to evaluate how the Intouch Acquisition Price compares to a sum-of-the-parts (“SOTP”) analysis based on discounted cash flow (“DCF”) methodology for the subsidiaries and associates of Intouch.

8.1 Rationale for and Benefits of the Proposed Intouch Acquisition and Other Considerations Assessed By Singtel

Information regarding the rationale for and benefits of the Proposed Intouch Acquisition and other considerations assessed by Singtel has been set out in section 6 of the Circular, and also described in further detail in section 6 above.

8.2 Liquidity and Broker Research Coverage Analysis

In order to evaluate whether the historical market prices of the Intouch Shares provide a meaningful reference point for comparison against the Intouch Acquisition Price and in evaluating the Intouch Acquisition Price relative to the historical market prices of the Intouch Shares, we have considered the liquidity, free float and extent of research coverage of Intouch relative to companies that make up the top 20 companies traded on the SET (the “**Top 20 Largest SET Companies**”) prior to the Latest Practicable Date.

Chart 1: Liquidity Analysis and Broker Research Coverage¹

Company	Undiluted Market Cap ² (S\$m)	Free Float (%) ³	Current		Number of Brokers Covering Company ⁶
			LTM Average Daily Trading Volume ⁴ / Free Float (%)	LTM Average Daily Trading Value ⁵ / Market Cap (%)	
PTT PCL	36,968	47.3%	0.51%	0.20%	25
Siam Cement PCL	23,973	60.6%	0.30%	0.17%	26
Airports of Thailand	21,932	28.3%	0.78%	0.20%	26
CP ALL PCL	20,687	55.6%	0.48%	0.22%	28
Siam Commercial Bank	19,465	75.2%	0.32%	0.23%	29
AIS	18,258	34.8%	1.19%	0.45%	28
Kasikornbank PCL	17,488	98.2%	0.37%	0.33%	27
Bangkok Dusit Medical Services PCL	13,607	52.8%	0.34%	0.17%	27
PTT Exploration & Production PCL	12,113	33.1%	1.24%	0.37%	28
Bangkok Bank PCL	12,056	94.8%	0.28%	0.26%	28
Bank of Ayudhya PCL	10,221	4.0%	0.42%	0.02%	17
PTT Global Chemical PCL	10,098	42.9%	0.66%	0.28%	27
Central Pattana PCL	9,943	56.6%	0.24%	0.12%	23
Krung Thai Bank PCL	9,452	44.2%	0.79%	0.35%	28
Charoen Pokphand Foods PCL	9,254	49.8%	0.81%	0.32%	21
True Corp PCL	9,078	32.8%	1.30%	0.49%	24
Intouch	6,729	59.5%	0.74%	0.48%	17
Berli Jucker PCL	6,699	40.6%	0.27%	0.11%	13
Big C Supercenter	6,605	2.1%	1.03%	0.02%	23
Minor International PLC	6,514	50.2%	0.40%	0.19%	23
Mean	14,057	48.2%	0.62%	0.25%	24
Median	11,138	48.5%	0.50%	0.22%	26
Maximum	36,968	98.2%	1.30%	0.49%	29
Minimum	6,514	2.1%	0.24%	0.02%	13

Source: Company filings and Bloomberg as at the Latest Practicable Date (8 September 2016)

Notes:

- ¹ All figures are as at the Latest Practicable Date
- ² Market capitalisation on a non-diluted basis. Intouch's market capitalisation is calculated by taking the share price as at the Latest Practicable Date and multiplying by Intouch's basic number of shares issued and outstanding of 3,206 million as at the Latest Practicable Date
- ³ Free float percentages are based on Bloomberg estimates and adjusted to include the shareholdings of Thai NVDR Co. Limited which can be freely traded. Intouch's free float refers to the Intouch Shares other than those held by Aspen Holdings Limited, which amounts to approximately 1,908 million Intouch Shares or equivalent to approximately 59.5% of the total issued share capital of Intouch as at the Latest Practicable Date
- ⁴ Average daily trading volume for the last 12 months prior to the Latest Practicable Date
- ⁵ Average daily trading value for the last 12 months prior to the Latest Practicable Date
- ⁶ Latest analyst coverage sourced from Bloomberg

Based on Chart 1, we note that in the 12 months prior to the Latest Practicable Date, Intouch's average daily trading value to market capitalisation of 0.48% is within the minimum and maximum range of average daily trading value to market capitalisation for the Top 20 Largest SET Companies, and above the mean and median for the same 12-month period. Taking into account Intouch's free float of 59.5%, its average daily trading volume to free float of 0.74% is within the minimum and maximum range of average daily trading volume to free float for the Top 20 Largest SET Companies for the same 12-month period, and above the mean and median respectively, therefore the analysis indicates that Intouch Shares do not appear to suffer from illiquid trading conditions.

We have also considered the historical trading volume of the Intouch Shares for the last trading day before the Proposed Acquisition Announcement Date ("**Last Trading Day**") and the 1-week, 1-month, 3-month, 6-month, 12-month and 24-month periods prior to the Proposed Acquisition Announcement Date, as well as the period from the Proposed Acquisition Announcement Date to the Latest Practicable Date, as set out in Chart 2.

Chart 2: Historical Trading Statistics of Intouch Shares

	Total Volume Traded	Average Daily Trading Value (THB)	Average Daily Trading Volume	Daily Trading Volume as a % of Free Float ¹ (%)
Period up to the Proposed Acquisition Announcement Date				
Last Trading Day	17,301,900	1,083,567,000	17,301,900	0.91%
1 Week	79,201,100	1,243,239,950	19,800,275	1.04%
1 Month	274,410,800	834,864,250	13,720,540	0.72%
3 Month	667,524,800	628,742,936	10,943,030	0.57%
6 Month	1,565,067,700	770,144,267	13,376,647	0.70%
12 Month	3,325,073,600	810,707,711	13,627,351	0.71%
24 Month	5,536,738,000	753,868,153	11,369,072	0.60%
Period after the Proposed Acquisition Announcement Date				
Between Proposed Acquisition Announcement Date and the Latest Practicable Date				
Latest Practicable Date	262,919,700	943,056,175	16,432,481	0.86%
Latest Practicable Date	18,236,000	986,895,100	18,236,000	0.96%

Source: Bloomberg as at the Latest Practicable Date (8 September 2016)

Note:

¹ Free float refers to the Intouch Shares other than those held by Aspen Holdings Limited, which amounts to approximately 1,908 million Intouch Shares or equivalent to approximately 59.5% of the total issued share capital of Intouch as at the Latest Practicable Date

For the 12-month period prior to the Proposed Acquisition Announcement Date, the average daily trading value has been approximately THB811 million.

We note that the analysis of the historical trading volume of the Intouch Shares includes the period from the Proposed Acquisition Announcement Date to the Latest Practicable Date. Announcements related to the Proposed Acquisitions may have had an impact on the trading volume of the Intouch Shares during this period.

In addition, we note that in the period from the Proposed Acquisition Announcement Date to the Latest Practicable Date, the average daily trading value and volume was THB943 million and 16.4 million Intouch Shares respectively. This compares with the 3-month average daily trading value and volume of THB629 million and 10.9 million Intouch Shares respectively prior to the Proposed Acquisition Announcement Date.

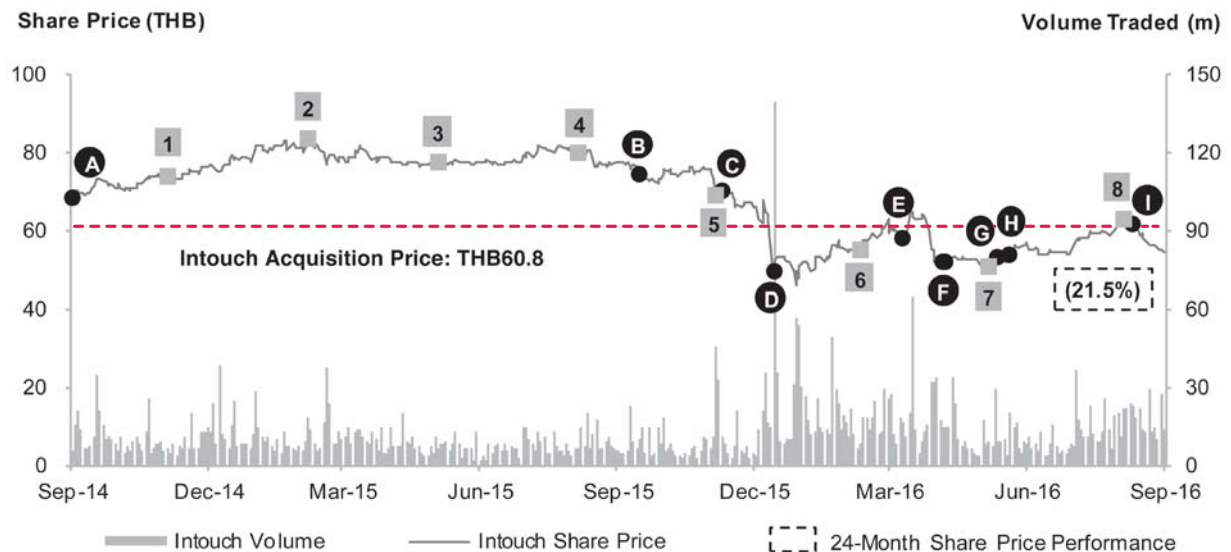
Our analysis of the historical trading volume of the Intouch Shares and the average daily trading volume and value in comparison to the Top 20 Largest SET Companies suggests that there is adequate liquidity in the Intouch Shares and that the market prices of the Intouch Shares should generally reflect a fundamental, market-based value of the Intouch Shares.

8.3 Historical Share Price Performance Analysis

In evaluating whether the Intouch Acquisition Price is on normal commercial terms and not prejudicial to the interests of the Company and the Minority Shareholders from a market price perspective, we have analysed the historical share price performance of the Intouch Shares while taking into consideration that global stock markets have experienced significant volatility in recent months. As Intouch is listed on the SET, its share price should normally reflect the prevailing market assessment of fair value. Hence, we have used the historical trading prices of Intouch Shares as one of the bases of our evaluation.

We set out below in Chart 3 the daily closing market price and trading volume of the Intouch Shares for the 24-month period from 8 September 2014 to the Latest Practicable Date.

Chart 3: Historical Share Price Performance and Trading Volume of Intouch



Source: Company filings and Bloomberg as at the Latest Practicable Date (8 September 2016)

Earnings Announcements:

1. 11 November 2014: Announcement of Q3 FY2014 Results
2. 13 February 2015: Announcement of FY2014 Results
3. 11 May 2015: Announcement of Q1 FY2015 Results
4. 13 August 2015: Announcement of Q2 FY2015 Results
5. 13 November 2015: Announcement of Q3 FY2015 Results
6. 17 February 2016: Announcement of FY2015 Results
7. 13 May 2016: Announcement of Q1 FY2016 Results
8. 11 August 2016: Announcement of Q2 FY2016 Results

Significant Events:

- A) 8 September 2014: AIS' announcement of THB4,600 million investment plan in fixed broadband business
- B) 22 September 2015: AIS' announcement of participation in 1800MHz and 900MHz spectrum licensing auction
- C) 17 November 2015: AIS' announcement of successful result in the 1800MHz license auction
- D) 21 December 2015: AIS' announcement of unsuccessful result in the 900MHz license auction
- E) 16 March 2016: AIS' announcement of extension of remedy period for 900MHz until 14 April 2016
- F) 12 April 2016: AIS' announcement of further extension of remedy period for 900MHz until 30 June 2016 and announcement of new 900MHz spectrum auction to be held on 27 May 2016
- G) 18 May 2016: AIS' submission of application for 900MHz license auction
- H) 27 May 2016: AIS' announcement of successful result in the 900MHz license auction
- I) 18 August 2016: Announcement of the Proposed Acquisitions and the Placement

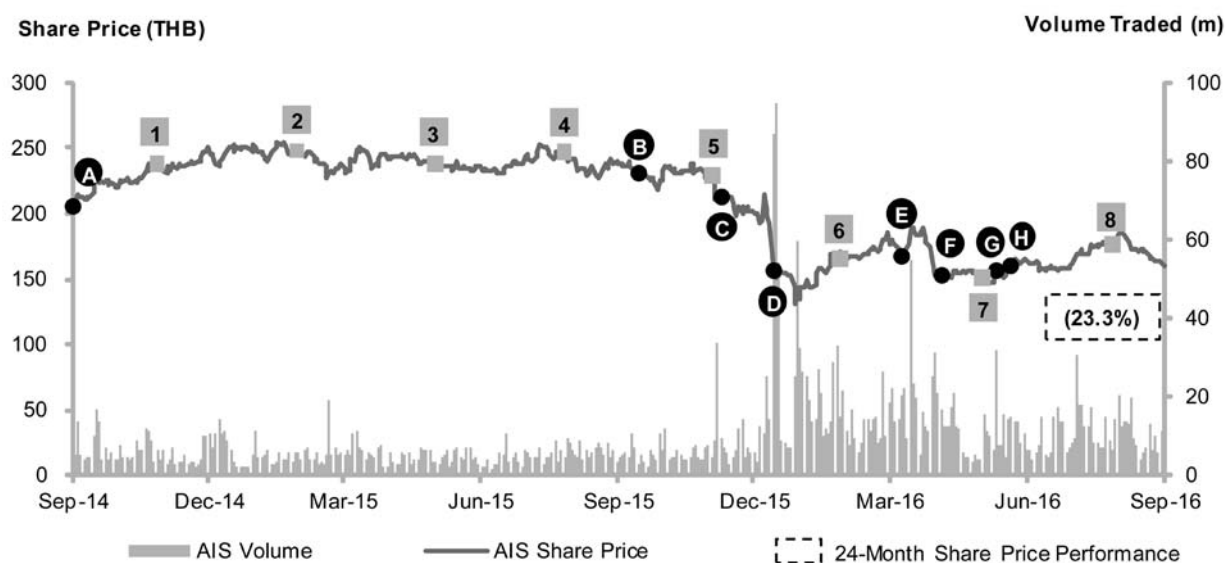
Based on Chart 3, we note the following:

- (i) Over the past 24-month period, Intouch has traded within a range of THB45.8 and THB83.5 per share, and above the Intouch Acquisition Price for the ~16 month period up to December 2015. The Intouch Acquisition Price represents a premium of 33.0% to the lowest daily closing price and a discount of 27.2% to the highest daily closing price;
- (ii) For the 1-month period prior to the Proposed Acquisition Announcement Date, the Intouch Shares traded between a low of THB58.5 and a high of THB63.5 per share;
- (iii) As at the Latest Practicable Date, the last traded market price of the Intouch Shares is THB54.0, which is below the last traded price of the Intouch Shares of THB62.0 on the Last Trading Day; and
- (iv) The Intouch Acquisition Price represents a 1.9% discount to the last traded price of the Intouch Shares of THB62.0 on the Last Trading Day, and a 12.6% premium to the last traded price of the Intouch Shares of THB54.0 as at the Latest Practicable Date.

Given that Intouch is an investment holding company, with its primary investments being its shareholdings in Thaicom and AIS (which contributes to the majority of Intouch's overall value), we have also analysed the historical share price performance of the AIS Shares over time.

We set out below in Chart 4 the daily closing market price and trading volume of the AIS Shares for the 24-month period from 8 September 2014 to the Latest Practicable Date.

Chart 4: Historical Share Price Performance and Trading Volume of AIS



Source: Company filings and Bloomberg as at the Latest Practicable Date (8 September 2016)

Earnings Announcements:

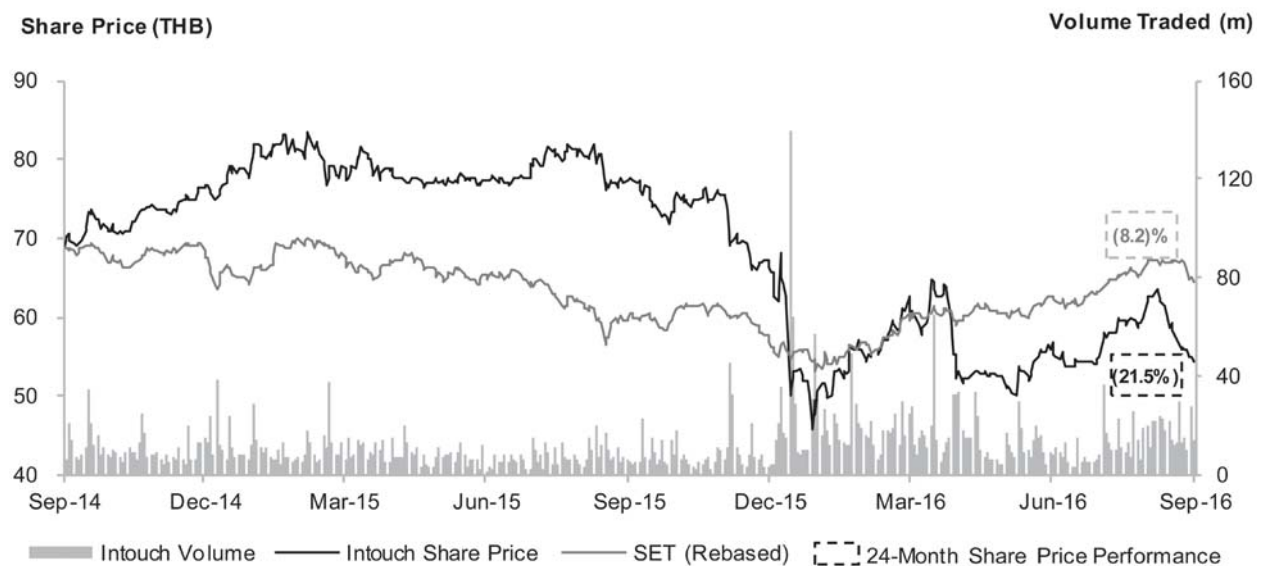
1. 3 November 2014: Announcement of Q3 FY2014 Results
2. 5 February 2015: Announcement of FY2014 Results
3. 8 May 2015: Announcement of Q1 FY2015 Results
4. 3 August 2015: Announcement of Q2 FY2015 Results
5. 10 November 2015: Announcement of Q3 FY2015 Results
6. 4 February 2016: Announcement of FY2015 Results
7. 9 May 2016: Announcement of Q1 FY2016 Results
8. 4 August 2016: Announcement of Q2 FY2016 Results

Significant Events:

- A) 8 September 2014: Announcement of THB4,600 million investment plan in fixed broadband business
- B) 22 September 2015: Announcement of participation in 1800MHz and 900MHz spectrum licensing auction
- C) 17 November 2015: Announcement of successful result in the 1800MHz license auction
- D) 21 December 2015: Announcement of unsuccessful result in the 900MHz license auction
- E) 16 March 2016: Announcement of extension of remedy period for 900MHz until 14 April 2016
- F) 12 April 2016: Announcement of further extension of remedy period for 900MHz until 30 June 2016 and announcement of new 900MHz spectrum auction to be held on 27 May 2016
- G) 18 May 2016: Submission of application for 900MHz license auction
- H) 27 May 2016: Announcement of successful result in the 900MHz license auction

To gauge the market price performance of the Intouch Shares relative to the general performance of the equity market in Thailand, we have compared the market price movement of the Intouch Shares against that of the Stock Exchange of Thailand Index (“**SET Index**”) for the 24-month period from 8 September 2014 to the Latest Practicable Date, as illustrated in Chart 5 below.

Chart 5: Relative Share Price Performance of Intouch Shares against the SET Index¹



Source: Bloomberg as at the Latest Practicable Date (8 September 2016)

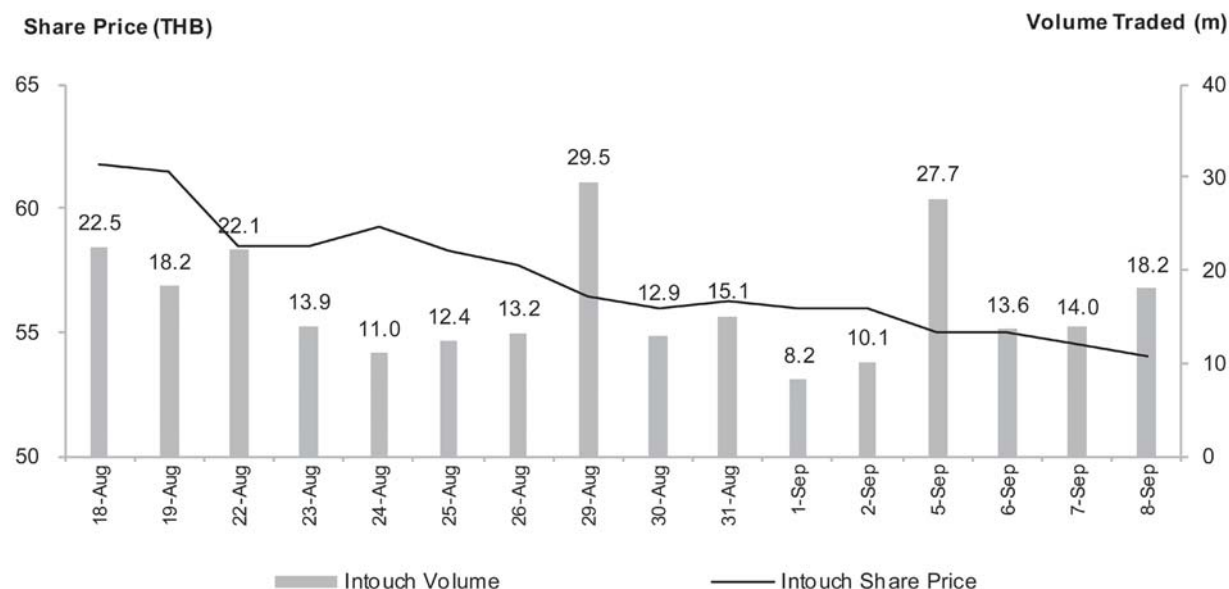
Note:

¹ Only the relative share price performance of Intouch Shares against the SET Index has been shown above, given the AIS share price has historically tracked the Intouch share price closely

Based on Chart 5, we note that the Intouch Shares have underperformed the SET Index by 13.3 percentage points for the 24-month period before the Latest Practicable Date. We note that the price of Intouch Shares has decreased by approximately 21.5%, as compared to a decrease in the SET Index of approximately 8.2% over the period.

Accordingly, over the period, movements in the price of Intouch Shares may have been influenced by events highlighted in Charts 3 and 4. The Independent Directors should note that the movements in price of the Intouch Shares may be due to a number of market factors, and the effect of individual factors may not be isolated and identified with certainty.

We have also set out below in Chart 6 the daily closing market price and trading volume of the Intouch Shares from the Proposed Acquisition Announcement Date to the Latest Practicable Date.

Chart 6: Share Price Performance and Trading Volume of Intouch from the Proposed Acquisition Announcement Date to the Latest Practicable Date

Source: Bloomberg as at the Latest Practicable Date (8 September 2016)

Based on Chart 6, we note that from the Proposed Acquisition Announcement Date to the Latest Practicable Date, the closing prices of the Intouch Shares ranged between THB54.0 and THB61.8 and the total volume of Intouch Shares traded was approximately 263 million shares, representing approximately 8.2% of Intouch's total outstanding shares as at the Latest Practicable Date. The Intouch Acquisition Price represents a premium of 12.6% to the lowest daily closing price and a discount of 1.5% to the highest daily closing price between this period.

We have also analysed the various premia and discounts implied by the Intouch Acquisition Price to the closing price on the Last Trading Day and the VWAP of the Intouch Shares for the 1-week, 1-month, 3-month, 6-month, 12-month and 24-month periods prior to the Proposed Acquisition Announcement Date, as well as the period from the Proposed Acquisition Announcement Date to the Latest Practicable Date.

Chart 7: Volume Weighted Average Price¹ Analysis of Intouch Shares

	Price (THB)	Premium/ (Discount) of Acquisition Price to VWAP (%)	Highest Closing Price (THB)	Lowest Closing Price (THB)
Intouch Acquisition Price	60.83			
Period up to the Proposed Acquisition Announcement Date				
Last Trading Day (Closing Price)	62.00	(1.9%)	n.a.	n.a.
1 Week VWAP	62.79	(3.1%)	63.50	62.00
1 Month VWAP	60.85	(0.0%)	63.50	58.50
3 Month VWAP	57.46	5.9%	63.50	52.00
6 Month VWAP	57.57	5.7%	64.75	50.00
12 Month VWAP	59.49	2.2%	80.75	45.75
24 Month VWAP	66.31	(8.3%)	83.50	45.75
Period after the Proposed Acquisition Announcement Date				
VWAP Between Proposed Acquisition Announcement Date and the Latest Practicable Date	57.39	6.0%	61.75	54.00
Latest Practicable Date (Closing Price)	54.00	12.6%	n.a.	n.a.

Source: Bloomberg as at the Latest Practicable Date (8 September 2016)

Note:

¹ VWAP calculated as the daily trading value divided by the daily trading volume for the relevant period. VWAPs calculated on a calendar day basis (apart from the VWAP relating to the Intouch Acquisition Price, which is calculated on a trading day basis)

Based on Chart 7, we note the following:

- (i) The Intouch Acquisition Price represents a premium of approximately 12.6% to the closing price of the Intouch Shares of THB54.0 on the Latest Practicable Date;
- (ii) The closing price of the Intouch Shares on the Latest Practicable Date of THB54.0 represents a decrease of approximately 12.9% to the closing price of THB62.0 on the Last Trading Day;
- (iii) The Intouch Acquisition Price represents a discount of approximately 1.9% to the closing price of the Intouch Shares of THB62.0 on the Last Trading Day; and
- (iv) The Intouch Acquisition Price represents premia (or discounts, as relevant) of approximately (3.1%), (0.0%), 5.9%, 5.7%, 2.2% and (8.3%) respectively, to the VWAP of the Intouch Shares in the 1-week, 1-month, 3-month, 6-month, 12-month and 24-month periods prior to the Proposed Acquisition Announcement Date.

8.4 Trading Comparables Analysis

We note that there are no companies listed on the SET that are directly comparable to Intouch in terms of (*inter alia*) the composition of business activities, product lines, scale of operations, market capitalisation, asset-base, geographical spread of activities, customer base, track record, financial performance, operating and financial leverage, risk profile, liquidity, accounting policies, future prospects and other relevant criteria.

Furthermore, as outlined above, Intouch is an investment holding company, and its principal investments are its shareholdings in Thaicom and AIS (which contributes to the majority of Intouch's overall value).

As such, as a basis for evaluation of the Proposed Intouch Acquisition, we have focused on companies that have comparable business operations to AIS, given it is the key associate of Intouch. We have considered selected telecommunications companies listed in Thailand and other countries in Southeast Asia (namely Singapore, the Philippines, Indonesia and Malaysia) as trading comparables for AIS (the "**AIS Comparable Companies**"). The companies which we have selected are major telecommunications players in their domestic markets, and which, in our opinion, are broadly comparable to AIS.

The list of AIS Comparable Companies and brief descriptions of the companies are set out below.

Chart 8: Brief Description of AIS Comparable Companies

Company Name	Market Cap¹	Description
Singapore-Listed		
Starhub Limited	SGD6,000m	<ul style="list-style-type: none"> • Second largest telecommunications company in Singapore by revenue • Operates through the mobile, pay TV, broadband and fixed network business segments, providing information, communications and entertainment services to consumer and corporate customers
M1 Limited	SGD2,391m	<ul style="list-style-type: none"> • Telecommunications company which provides mobile and fixed line services to over two million customers • Provides voice, data and value-added services through its mobile segment, mobile and fixed line services through its international call services segment and home and corporate broadband services through its fixed services segment • Also provides data centre management and services, cloud-based and other enterprise solutions
Thailand-Listed		
True Corporation PCL	SGD9,078m	<ul style="list-style-type: none"> • Integrated telecommunications company in Thailand serving approximately 25 million customers • Provides mobile services under True Mobile Group, broadband, WiFi and fixed line services through TrueOnline and pay TV and HD TV through TrueVisions • Also provides electronic cash and payment services
Total Access Communication PCL	SGD2,807m	<ul style="list-style-type: none"> • Second largest mobile operator in Thailand by revenue serving approximately 25 million mobile subscribers • Provides mobile voice and data services, mobile marketing as well as other ICT mobile solutions to consumer and corporate customers
Malaysia-Listed		
Axiata Group Berhad	SGD16,787m	<ul style="list-style-type: none"> • Telecommunications group which provides mobile services to approximately 290 million subscribers in Southeast Asia and South Asia • Also provides communications infrastructure services and digital services
Maxis Berhad	SGD15,744m	<ul style="list-style-type: none"> • Communications and Internet service provider in Malaysia serving over 12 million customers • Also provides broadband services, satellite services, as well as enterprise-oriented services such as cloud computing and data-centre solutions

Company Name	Market Cap ¹	Description
Digi.Com Berhad	SGD13,212m	<ul style="list-style-type: none"> • Mobile communication service provider serving over 12 million customers • Also provides broadband, and enterprise solutions such as SMS marketing and corporate phone plans
Philippines-Listed		
Philippine Long Distance Telephone Co.	SGD11,654m	<ul style="list-style-type: none"> • Integrated telecommunications group and the largest fixed line and mobile services provider by number of subscribers in the Philippines • Operates primarily through the wireless and fixed line business segments providing mobile, broadband, satellite, digital platforms and mobile financial services as well as local and international fixed line services
Globe Telecom Inc.	SGD7,589m	<ul style="list-style-type: none"> • Integrated telecommunications group with approximately 53 million mobile subscribers and four million broadband subscribers • Operates through the mobile, broadband, fixed line data and fixed line voice segments
Indonesia-Listed		
PT Telekomunikasi Indonesia Tbk	SGD43,390m	<ul style="list-style-type: none"> • Integrated telecommunications group with approximately 150 million mobile subscribers, 48 million mobile broadband subscribers and 10 million fixed line subscribers • Operates through the mobile, fixed line voice and data, data, internet & IT, interconnection and network & infrastructure business segments
PT XL Axiata Tbk	SGD3,052m	<ul style="list-style-type: none"> • Cellular service provider serving approximately 40 million subscribers • Provides mobile voice, data and other value-added digital services to consumers and corporate customers
PT Indosat Tbk	SGD2,980m	<ul style="list-style-type: none"> • Telecommunications company with approximately 70 million subscribers • Operates through the mobile, fixed line telecom and fixed line data segments providing services to consumers and corporate customers

Source: Company description based on publicly available information, including annual reports and company websites. Market capitalisation based on company filings and Bloomberg as at the Latest Practicable Date (8 September 2016)

Note:

¹ Market capitalisation is calculated based on share prices and exchange rates from Bloomberg as at the Latest Practicable Date. Market capitalisation is calculated on a fully-diluted basis assuming the treasury stock method

For the purpose of evaluating the financial terms of the Proposed Intouch Acquisition, we have applied enterprise value ("EV") to earnings before interest, tax, depreciation and amortisation ("EBITDA") valuation ratios ("EV/EBITDA") and price to earnings per share valuation ratios ("P/E") for the last twelve months ("LTM") and for consensus broker estimates for the financial year ending 31 December 2016 ("2016E") in respect of the AIS Comparable Companies.

Chart 9 sets out the trading multiples for Intouch/AIS and the AIS Comparable Companies as at the Latest Practicable Date.

Chart 9: Intouch/AIS Trading Comparables Analysis

Company	Local Currency	Share Price (8-Sep-16)	Market Cap ¹ (\$m)	Enterprise Value ² (\$m)	EV/EBITDA ³		P/E	
					LTM ⁴	2016E ⁵	LTM ⁴	2016E ⁵
SINGAPORE								
Starhub	SGD	3.45	6,000	6,464	8.8x	8.9x	15.8x	16.4x
M1	SGD	2.55	2,391	2,718	8.0x	8.1x	13.9x	14.1x
THAILAND								
True Corp	THB	7.00	9,078	11,199	10.5x	11.1x	n.m.	n.m.
Total Access Communication	THB	30.50	2,807	4,028	3.7x	3.9x	17.9x	24.2x
MALAYSIA								
Axiata Group	MYR	5.62	16,787	22,824	7.6x	7.3x	25.7x	25.6x
Maxis	MYR	6.26	15,744	18,512	12.7x	12.7x	25.9x	25.6x
Digi.com	MYR	5.08	13,212	13,566	14.1x	13.7x	24.5x	23.6x
PHILIPPINES								
PLDT	PHP	1,869.00	11,654	15,351	7.2x	7.2x	19.4x	14.7x
Globe Telecom	PHP	1,976.00	7,589	9,910	6.3x	6.1x	17.2x	15.9x
INDONESIA								
Telekomunikasi Indonesia	IDR	4,160.00	43,390	46,292	7.9x	7.6x	22.3x	22.3x
XL Axiata TBK	IDR	2,760.00	3,052	4,656	5.3x	5.1x	n.m.	n.m.
Indosat TBK	IDR	5,300.00	2,980	5,378	4.3x	4.1x	n.m.	28.6x
Median					7.7x	7.5x	19.4x	22.9x
Mean					8.0x	8.0x	20.3x	21.1x
Maximum					14.1x	13.7x	25.9x	28.6x
Minimum					3.7x	3.9x	13.9x	14.1x
<i>Singtel</i>	<i>SGD</i>	<i>4.06</i>	<i>64,887</i>	<i>82,382</i>	<i>9.1x</i>	<i>9.0x</i>	<i>16.6x</i>	<i>16.4x</i>
<i>AIS (at market price)</i>	<i>THB</i>	<i>158.00</i>	<i>18,256</i>	<i>24,542</i>	<i>9.6x</i>	<i>10.2x</i>	<i>12.8x</i>	<i>15.0x</i>
<i>AIS (implied⁶)</i>	<i>THB</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>9.4x</i>	<i>9.9x</i>	<i>12.4x</i>	<i>14.5x</i>
<i>AIS (implied⁶ - adjusted for holding company discount of 20%)</i>	<i>THB</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>11.2x</i>	<i>11.8x</i>	<i>15.7x</i>	<i>18.3x</i>
<i>Intouch (at market price)</i>	<i>THB</i>	<i>54.00</i>	<i>6,729</i>	<i>9,756</i>	<i>7.7x</i>	<i>8.1x</i>	<i>10.7x</i>	<i>11.4x</i>
<i>Intouch (implied⁷)</i>	<i>THB</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>8.4x</i>	<i>8.8x</i>	<i>12.1x</i>	<i>12.9x</i>

Source: Company filings and Bloomberg as at the Latest Practicable Date (8 September 2016)

Notes:

Calendarised to 31 December year end

- Market capitalisation is calculated based on share prices and exchange rates from Bloomberg as at the Latest Practicable Date. Market capitalisation is calculated on a fully-diluted basis assuming the treasury stock method
- Enterprise value is calculated as market capitalisation + preference equity + net debt + minority interests. Enterprise value for Singtel and Intouch calculated on a proportionally consolidated basis
- EV/EBITDA multiples adjusted to exclude share of income from associates. EBITDA for Singtel and Intouch calculated on a proportionally consolidated basis
- LTM EBITDA and net income attributable to equity holders of the company adjusted for one-off and extraordinary items including foreign exchange losses/gains, gains/losses on divestment of assets, restructuring costs, impairment losses and other non-recurring provisions. Tax effect on these adjustments applied using the relevant statutory tax rates
- 2016E EBITDA and net income based on the latest consensus mean estimates for the respective companies quoted by Bloomberg as at the Latest Practicable Date
- Implied multiples based on the Proposed Intouch Acquisition
- Implied multiples based on the Intouch Acquisition Price

The multiples for AIS implied by the Intouch Acquisition Price are 9.4x, 9.9x, 12.4x and 14.5x on an LTM EV/EBITDA, 2016E EV/EBITDA, LTM P/E and 2016E P/E basis respectively. For the purposes of deriving the multiples above (which relate to AIS alone), we have adjusted for the value of Thaicom within Intouch based on its current market value as at the Latest Practicable Date and Intouch's 41.1% ownership stake, and have also adjusted for any unconsolidated net cash relating to Intouch (see further details in section 8.7 below). After also adjusting for a holding company discount of 20%, the multiples for AIS implied by the Intouch Acquisition Price are 11.2x, 11.8x, 15.7x and 18.3x on an LTM EV/EBITDA, 2016E EV/EBITDA, LTM P/E and 2016E P/E basis respectively.

Based on Chart 9, we note that the multiples for AIS implied by the Intouch Acquisition Price are:

- (i) Within the range of the AIS Comparable Companies on an LTM EV/EBITDA, 2016E EV/EBITDA and 2016E P/E basis but below the range on an LTM P/E basis (before adjusting for any holding company discount);
- (ii) Within the range of the AIS Comparable Companies on an LTM EV/EBITDA, 2016E EV/EBITDA, LTM P/E and 2016E P/E basis (after adjusting for any holding company discount); and
- (iii) Above the mean and median of the AIS Comparable Companies on an LTM EV/EBITDA and 2016E EV/EBITDA basis but below the mean and median on an LTM P/E and 2016E P/E basis (both before and after adjusting for any holding company discount).

8.5 Precedent Transactions Analysis

We have also reviewed selected transactions announced from 1 January 2006 to the Latest Practicable Date, involving the acquisition of minority equity stakes in telecommunications companies in Southeast Asia ("**AIS Precedent Transactions**"). The selected minority equity stake acquisitions involved the acquisition of a less than 50% stake in a target company. For the purposes of collating a list of representative transactions, we have excluded transactions where the transaction value was less than SGD100 million, and also excluded transactions involving a minority stake acquisition which subsequently led to a change of control transaction.

We note that the AIS Precedent Transactions are not directly comparable to Intouch in terms of (*inter alia*) the composition of business activities, product lines, scale of operations, market capitalisation, asset-base, geographical spread of activities, track record, financial performance, operating and financial leverage, risk profile, liquidity, accounting policies, future prospects and other relevant criteria.

The Independent Directors should further note that the comparison is made without taking into consideration the relative efficiency of information, the underlying liquidity of the shares of the relevant companies, the performance of the shares of the companies, the quality of earnings prior to the relevant announcement and the market conditions, and sentiments when the announcements were made.

The list of AIS Precedent Transactions and brief descriptions of the target companies are set out below.

Chart 10: Brief Description of Target Companies of AIS Precedent Transactions

Target Name	Date of Announcement	Stake Acquired	Description (At Time of Acquisition)
PT Bakrie Telecom Tbk	10-Jan-12	15.2%	<ul style="list-style-type: none"> • Provider of fixed digital radio cellular telecommunication network and related services • Primarily provides pre-paid and post-paid mobile services • Private company operating as a subsidiary of Indonesia-based PT Bakrie & Brothers Tbk, an infrastructure, manufacturing and telecommunications conglomerate
True Corporation PLC	4-Nov-10	9.0%	<ul style="list-style-type: none"> • Integrated telecommunications company in Thailand • Operates through the wireline, wireless and pay-TV business segments providing fixed line telephone and internet, mobile and cable and satellite pay TV services • Listed on the SET
PT Indosat Tbk	6-Jun-08	40.8%	<ul style="list-style-type: none"> • Integrated telecommunications company and the second largest mobile operator by number of subscribers in Indonesia • Operates through the mobile, fixed voice and multimedia, data communication & internet business segments • Listed on the Jakarta Stock Exchange
PT XL Axiata Tbk	6-Feb-08	16.8%	<ul style="list-style-type: none"> • Provider of mobile telecommunication services for consumers and businesses • Provides pre-paid and post-paid mobile services as well as other related value-added services • Listed on the Jakarta Stock Exchange
PT XL Axiata Tbk	11-Dec-07	16.0%	<ul style="list-style-type: none"> • Refer above
PT XL Axiata Tbk	19-Apr-07	7.4%	<ul style="list-style-type: none"> • Refer above
Philippine Long Distance Telephone Company	14-Feb-07	6.4%	<ul style="list-style-type: none"> • Integrated telecommunications group which operates through the wireless, fixed line and information and communications technology business segments • Provides mobile, wireless broadband, wireless content, satellite and fixed line services, data centre and other enterprise services and business process outsourcing services • Listed on the Philippine Stock Exchange
Philippine Long Distance Telephone Company	31-Jan-06	7.0%	<ul style="list-style-type: none"> • Refer above

Source: Company description based on publicly available information, including annual reports and company websites

Chart 11: AIS Precedent Transactions Analysis

Announcement Date	Target Name	Acquirer Name	% Acquired	Transaction Value (\$m)	Enterprise Value ¹ (\$m)	Equity Value (\$m)	LTM		Premium/ (Discount) of Implied Equity Value to 20-day VWAP
							EV/EBITDA ²	P/E ²	
10-Jan-12	PT Bakrie Telecom	Mount Charlotte	15.2%	205	2,138	1,355	13.3x	NM	33%
4-Nov-10	True Corporation	Charoen Pokphand Group	9.0%	148	4,745	1,644	6.3x	NM	(0%)
6-Jun-08	Indosat	Ooredoo	40.8%	2,398	7,368	5,875	5.7x	18.9x	28%
6-Feb-08	XL Axiata	TM International	16.8%	621	5,051	3,694	9.4x	36.0x	79%
11-Dec-07	XL Axiata	Etisalat	16.0%	634	5,223	3,968	10.6x	NM	70%
19-Apr-07	XL Axiata	Telekom Malaysia	7.4%	171	3,249	2,316	6.9x	28.7x	(16%)
14-Feb-07	PLDT	First Pacific	6.4%	785	14,401	12,262	5.9x	11.1x	(19%)
31-Jan-06	PLDT	NTT DOCOMO	7.0%	718	13,085	10,300	5.4x	10.0x	0%
Median							6.6x	18.9x	14%
Mean							7.9x	20.9x	22%
Maximum							13.3x	36.0x	79%
Minimum							5.4x	10.0x	(19%)
AIS (implied³)							9.4x	12.4x	-
AIS (implied³ - adjusted for holding company discount)							11.2x	15.7x	-

Source: Bloomberg, Capital IQ, FactSet and relevant company information

Notes:

- Enterprise value is adjusted for net debt, preference equity, minority interests and associates as at the latest filings on the date of acquisition, unless otherwise stated. Converted to USD using exchange rates sourced from Bloomberg as at the date of announcement
- LTM EBITDA and net income attributable to equity holders of the company adjusted for one-off and extraordinary items including foreign exchange losses/gains, gains/losses on investment of assets, restructuring costs, impairment losses and other non-recurring provisions. Tax effect on these adjustments applied using the relevant statutory tax rates
- Implied multiples based on the Intouch Acquisition Price

Based on Chart 11, we note the following:

- The LTM EV/EBITDA multiple for AIS implied by the Intouch Acquisition Price (both before and after adjusting for any holding company discount) is within the range but is above the mean and median of the LTM EV/EBITDA multiples of the AIS Precedent Transactions; and
- The LTM P/E multiple for AIS implied by the Intouch Acquisition Price (both before and after adjusting for any holding company discount) is within the range and below the mean and median of the LTM P/E multiples of the AIS Precedent Transactions.

For illustrative purposes, we have also analysed benchmarks around premia or discounts paid for the AIS Precedent Transactions. We note that the implied premium based on the Intouch Acquisition Price of zero per cent is within the range and below the mean and median of premia or discounts paid in respect of these transactions.

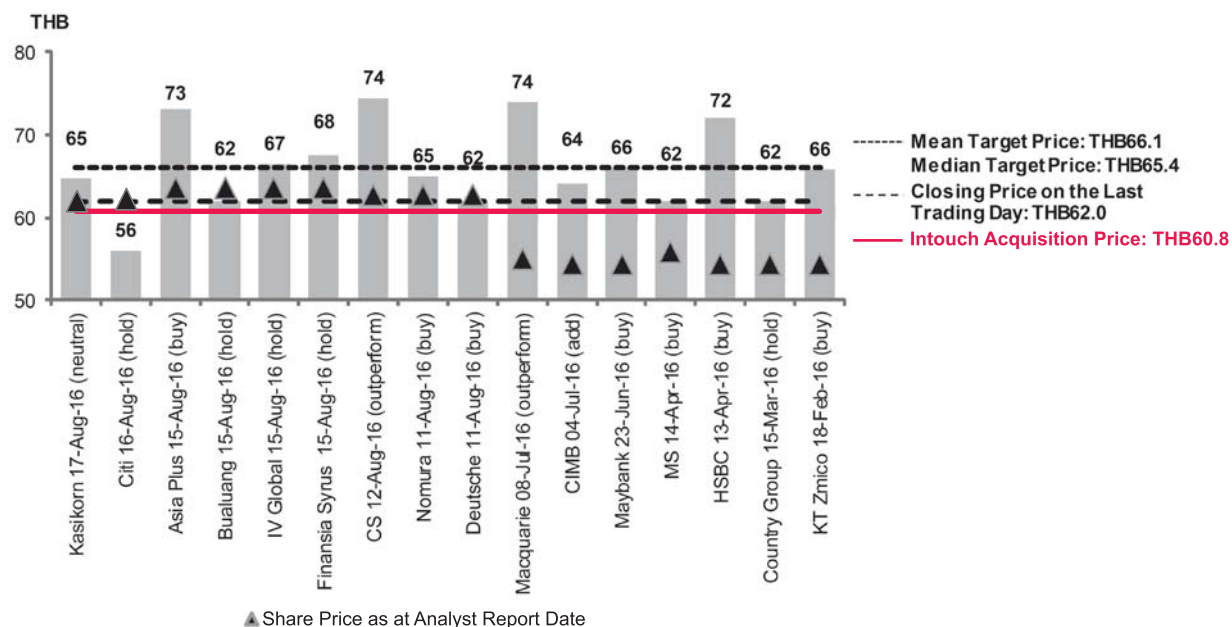
We would like to highlight that while valuation multiples implied by precedent transactions would typically include a premium required to obtain control, given the above list of transactions relates to only minority strategic stake acquisitions by telecommunication groups or private equity groups focused on this sector, this 'control premium' effect is likely to be less pronounced. Hence we believe these precedent multiples are appropriate as one benchmark in conducting our evaluation of the Proposed Intouch Acquisition (subject to our comments above around overall applicability of precedent transaction multiples as a whole).

8.6 Broker Research Price Targets for the Intouch Shares

We have reviewed the price targets for the Intouch Shares estimated by the broker research houses, as set out in Bloomberg, in Charts 12 and 13 below.

Intouch is covered by 17 brokerage houses according to Bloomberg. Between 17 February 2016, being the release of Intouch’s results for the full year ended 31 December 2015, and the Proposed Acquisition Announcement Date, 16 brokerage houses issued research reports with a price target on Intouch, according to Bloomberg data.

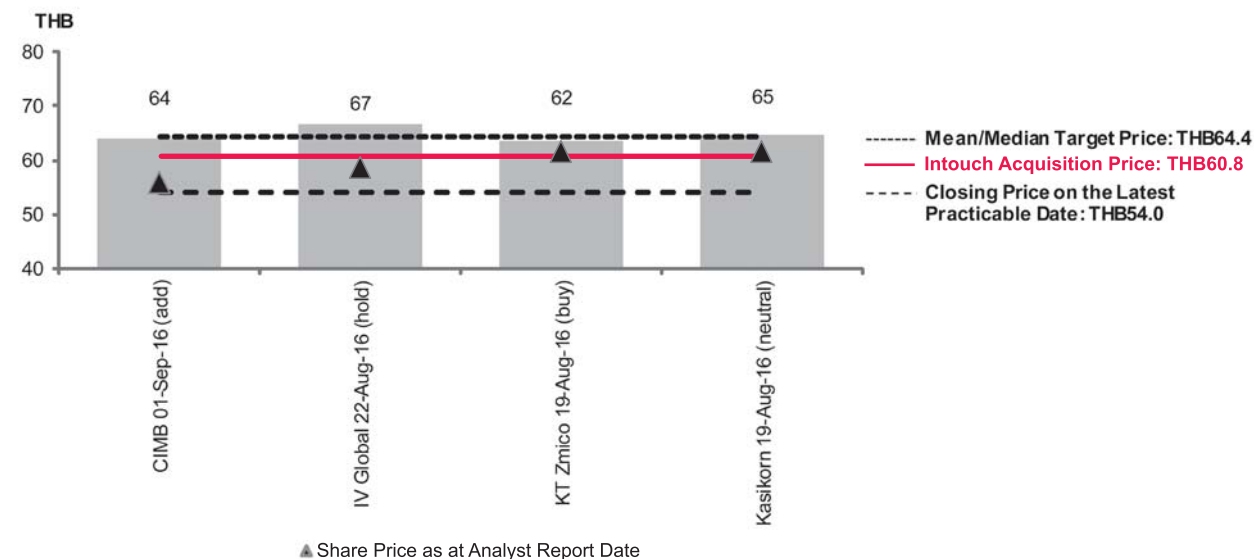
Chart 12: Broker Price Targets (pre-Proposed Acquisition Announcement Date)



Source: Bloomberg as at the Proposed Acquisition Announcement Date (18 August 2016)

From the Proposed Acquisition Announcement Date to the Latest Practicable Date, four brokerage houses issued updated research reports on Intouch, according to Bloomberg data.

Chart 13: Broker Price Targets (Proposed Acquisition Announcement Date to the Latest Practicable Date)



Source: Bloomberg as at the Latest Practicable Date (8 September 2016)

Based on Charts 12 and 13, we note the following:

- (i) The Intouch Acquisition Price represents a discount of 7.9% and 7.0% to the mean and median pre-Proposed Acquisition Announcement Date Intouch broker price target of THB66.1 and THB65.4 respectively; and
- (ii) The Intouch Acquisition Price represents a discount of 5.5% to both the mean and median post-Proposed Acquisition Announcement Date Intouch broker price targets of THB64.4.

8.7 Sum-of-the-Parts/Discounted Cash Flow Analysis

The key subsidiaries and associates which are held by Intouch and which are the subject of the SOTP and DCF analysis are:

- (i) **AIS**

AIS is a mobile operator in Thailand and operates three core businesses, namely, the mobile business, the fixed broadband business and the digital content business.

- (ii) **Thaicom**

Thaicom operates the satellite and related services business and the internet and media services business.

8.7.1 Framework of the Sum-of-the-Parts/Discounted Cash Flow Analysis

Singtel has provided us with confidential financial projections in relation to AIS which has formed the basis of the SOTP and DCF analysis of Intouch. These financial projections have been prepared and reviewed by Singtel management, based on publicly available information and an 'outside-in' view of the financial performance of the AIS business. These projections do not reflect the internal forecasts of AIS itself.

We have based our SOTP analysis on the financial projections provided for AIS by Singtel and we have not independently verified (nor have we assumed responsibility or liability for independently verifying) any such information or its accuracy or completeness or adequacy.

We have applied DCF methodology in our SOTP analysis. Under the DCF methodology, we arrive at an enterprise valuation for AIS on a standalone basis by discounting the unlevered cash flow projections by a relevant discount rate (described below). After subtracting net debt attributable to AIS (based on AIS' forecast net debt balance as at 31 December 2016), we derive an equity value for AIS.

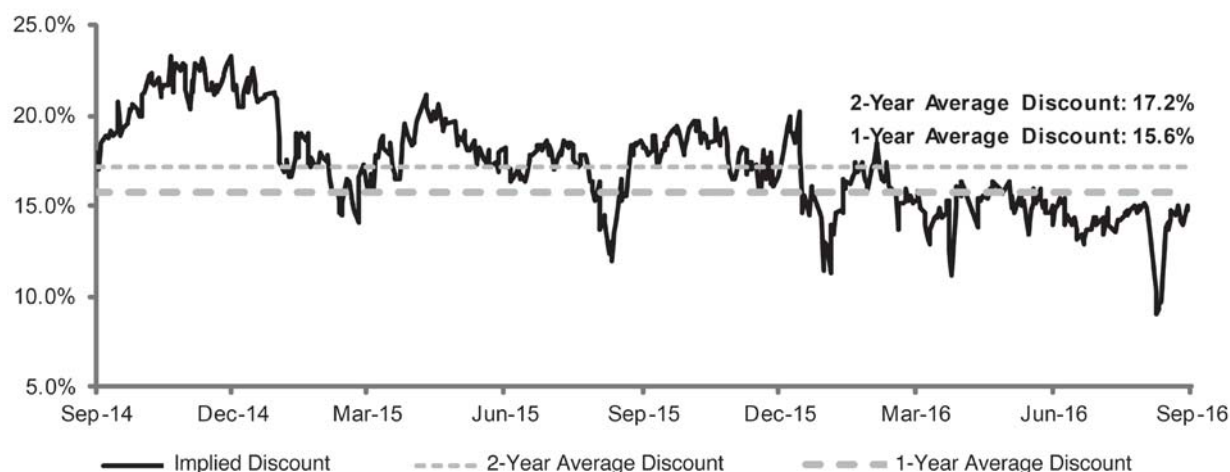
As Thaicom is listed on the SET, its share price should normally reflect the prevailing market assessment of fair value. Hence, we have used its current market capitalisation in order to value its contribution to Intouch's total equity value. We also believe this is an appropriate approach given Thaicom is a much smaller component of Intouch's value relative to AIS.

8.7.2 Holding Company Discount and Unconsolidated Net Cash

As outlined above, given Intouch is an investment holding company, and its principal investments are its shareholdings in AIS and Thaicom, we believe it may be appropriate to apply a 'holding company discount' to the value of Intouch's stakes in AIS and Thaicom, to reflect lower liquidity of the holding company and reduced control over the companies in which it is ultimately investing (that is, AIS and Thaicom).

In order to determine an appropriate holding company discount to potentially apply, we have looked historically at the difference between Intouch's market trading price, and its implied per share value derived from valuing its respective 40.5% and 41.1% stakes in AIS and Thaicom at market value, taking into account the unconsolidated net cash on Intouch's balance sheet at the time. This historical discount is illustrated in Chart 14. The average discounts over the past 24 months and 12 months are 17.2% and 15.6% respectively.

Chart 14: Historical Discount Between Intouch Share Price and SOTP Valuation (Based on Market Prices)



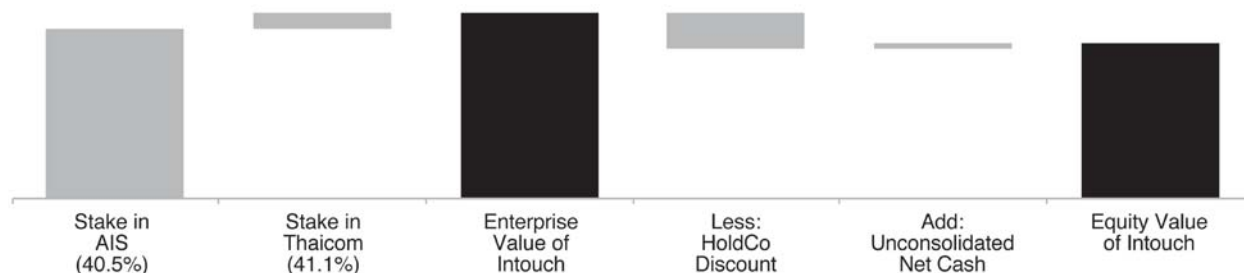
Source: Bloomberg as at the Latest Practicable Date (8 September 2016)

Based on the analysis above, for the purposes of our evaluation, we have applied a holding company discount of 20.0% in deriving our final SOTP DCF valuation range for Intouch. We note that the application of such a discount may be subjective.

Intouch also has THB1,739 million in unconsolidated net cash on its balance sheet as at 30 June 2016. This cash amount has also been added to Intouch’s equity value to derive the final SOTP DCF value per share.

An illustrative representation of the overall SOTP valuation process is provided below for reference.

Chart 15: Illustrative Representation of the SOTP Valuation Approach



8.7.3 Discount Rates

When evaluating the appropriate discount rate for AIS, we have used the capital asset pricing model (“**CAPM**”) and the weighted average cost of capital (“**WACC**”), which are commonly used methodologies, to calculate the appropriate discount rate to apply to the projected cash flows of AIS.

8.7.4 Conclusion

Based on the results of our SOTP and DCF analysis, we have determined that the Intouch Acquisition Price is within the calculated per share valuation range for Intouch.

8.8 Conclusion on the Proposed Intouch Acquisition

In arriving at our opinion to the Independent Directors, we have taken into consideration and relied upon (*inter alia*) the following key factors which should be read in conjunction with, and interpreted, in the full context of this letter:

- (i) The rationale and benefits of the Proposed Acquisitions and other considerations by Singtel;
- (ii) The Intouch Shares have adequate liquidity and we therefore believe that the historical share prices of Intouch provide a meaningful reference price against which to compare the Intouch Acquisition Price;
- (iii) In the 24-month period prior to the Proposed Acquisition Announcement Date, the Intouch Shares have traded between THB45.8 and THB83.5 based on the daily closing price. The Intouch Acquisition Price represents a premium of 33.0% to the lowest daily closing price and a discount of 27.2% to the highest daily closing price;
- (iv) Following the Proposed Acquisition Announcement Date up to the Latest Practicable Date, the Intouch Shares have traded between THB54.0 and THB61.8 based on the daily closing price. The Intouch Acquisition Price represents a premium of 12.6% to the lowest daily closing price and a discount of 1.5% to the highest daily closing price;
- (v) Based on our comparison of the Intouch Acquisition Price against Intouch's VWAP over the various timeframes, we have assessed:
 - The Intouch Acquisition Price represents a premium of approximately 12.6% to the closing price of the Intouch Shares of THB54.0 on the Latest Practicable Date;
 - The Intouch Acquisition Price represents a discount of approximately 1.9% to the closing price of the Intouch Shares of THB62.0 on the Last Trading Day; and
 - The Intouch Acquisition Price represents premia (or discounts, as relevant) of approximately (3.1%), (0.0%), 5.9%, 5.7%, 2.2% and (8.3%) respectively, to the VWAP of the Intouch Shares in the 1-week, 1-month, 3-month, 6-month, and 12-month and 24-month periods prior to the Proposed Acquisition Announcement Date.
- (vi) Based on our comparison of the valuation multiples implied by the Intouch Acquisition Price against the AIS Comparable Companies, we have assessed:
 - The multiples for AIS implied by the Intouch Acquisition Price are within the range of the AIS Comparable Companies on an LTM EV/EBITDA, 2016E EV/EBITDA and 2016E P/E basis but below the range on an LTM P/E basis (before adjusting for any holding company discount);
 - The multiples for AIS implied by the Intouch Acquisition Price are within the range of the AIS Comparable Companies on an LTM EV/EBITDA, 2016E EV/EBITDA, LTM P/E and 2016E P/E basis (after adjusting for any holding company discount); and
 - The multiples for AIS implied by the Intouch Acquisition Price are above the mean and median of the AIS Comparable Companies on an LTM EV/EBITDA and 2016E EV/EBITDA basis but below the mean and median on an LTM P/E and 2016E P/E basis (both before and after adjusting for any holding company discount).

- (vii) Based on our comparison of the valuation multiples implied by the Intouch Acquisition Price (both before and after adjusting for any holding company discount) against the AIS Precedent Transactions, we have assessed:
- The LTM EV/EBITDA multiple for AIS implied by the Intouch Acquisition Price is within the range but is higher than the mean and median of the LTM EV/EBITDA multiples of the AIS Precedent Transactions; and
 - The LTM P/E multiple for AIS implied by the Intouch Acquisition Price is within the range and below the mean and median of the LTM P/E multiples of the AIS Precedent Transactions.
- (viii) Based on our analysis of broker research price targets for the Intouch Shares:
- For certain research reports issued by stock brokers prior to the Proposed Acquisition Announcement Date in relation to the Intouch Shares, the Intouch Acquisition Price represents a discount in the range of 7.0% to 7.9% to the median and mean Intouch broker price targets assessed; and
 - For certain research reports issued by stock brokers from the Proposed Acquisition Announcement Date to the Latest Practicable Date, the Intouch Acquisition Price represents a discount of 5.5% to both the mean and median Intouch broker price targets assessed.
- (ix) We note that based on the results of our SOTP and DCF analysis, the Intouch Acquisition Price falls within the calculated per share valuation range for Intouch.

After having carefully considered the information available to us, and based on the foregoing and subject to our terms of reference as set out in section 2 above, as at the Latest Practicable Date, we are of the opinion that the terms of the Proposed Intouch Acquisition as an Interested Person Transaction are (1) on normal commercial terms and (2) not prejudicial to the interests of the Company and the Minority Shareholders. Please see section 9 and section 10 of this letter for our opinion on the Proposed BTL Acquisition and the Placement, and section 12 of this letter for our opinion on the Proposed Acquisitions and the Placement.

9 EVALUATION OF THE PROPOSED BTL ACQUISITION

Given that BTL is a privately owned investment holding company with BAL as its primary asset, we have undertaken the following analyses using BAL as a proxy in evaluating the Proposed BTL Acquisition. We have also undertaken the following analyses based on publicly available information, information provided to us by Singtel and market, economic, industry, monetary and other conditions in effect as at the Latest Practicable Date. In our evaluation of the Proposed BTL Acquisition, we have given due consideration to the following factors:

- (i) **Rationale for and benefits** of the Proposed BTL Acquisition and other considerations assessed by Singtel;
- (ii) **Liquidity and broker research coverage analysis** to evaluate whether the historical share prices of BAL provide a meaningful reference for comparison against the Agreed BAL Market Trading Price;
- (iii) **Historical share price performance analysis** to evaluate how the Agreed BAL Market Trading Price compares to the historical share prices of BAL over different observation periods;
- (iv) **Trading comparables analysis** to evaluate how the valuation multiples implied by the Agreed BAL Market Trading Price compare to trading multiples of listed comparable companies;
- (v) **Precedent transaction analysis** to evaluate how the valuation multiples implied by the Agreed BAL Market Trading Price compare to multiples of selected transactions in the telecommunications industry in Asia;
- (vi) **Broker research price targets** for the BAL Shares to evaluate how the Agreed BAL Market Trading Price compares to broker research price targets for BAL in reports issued prior to, and after, the Proposed Acquisition Announcement Date; and
- (vii) **Sum-of-the-parts analysis/discounted cash flow analysis** to evaluate how the BTL Acquisition Price compares to a SOTP analysis based on DCF methodology for the BAL business.

9.1 Rationale for and Benefits of the Proposed BTL Acquisition and Other Considerations Assessed By Singtel

Information regarding the rationale for and benefits of the Proposed BTL Acquisition and other considerations assessed by Singtel has been set out in section 6 of the Circular, and also described in further detail in section 6 above.

9.2 Liquidity and Broker Research Coverage Analysis

In order to evaluate whether the historical market prices of the BAL Shares provide a meaningful reference point for comparison against the Agreed BAL Market Trading Price and in evaluating the Agreed BAL Market Trading Price relative to the historical market prices of the BAL Shares, we have considered the liquidity, free float and extent of research coverage of BAL relative to companies that make up the top 20 companies traded on BSE and NSE in India (the “**Top 20 Largest BSE and NSE Companies**”) prior to the Latest Practicable Date.

Chart 16: Liquidity Analysis and Broker Research Coverage¹

Company	Undiluted Market Cap ² (S\$m)	Free Float (%) ³	Current		Number of Brokers Covering Company ⁶
			LTM Average Daily Trading Volume ⁴ / Free Float (%)	LTM Average Daily Trading Value ⁵ / Market Cap (%)	
Tata Consultancy Services Ltd	92,710	23.7%	0.25%	0.06%	56
Reliance Industries Ltd	67,893	41.9%	0.28%	0.11%	43
HDFC Bank Ltd	66,144	81.1%	0.07%	0.05%	56
ITC Ltd	64,789	57.9%	0.12%	0.08%	43
Infosys Ltd	48,293	81.6%	0.20%	0.18%	57
Housing Development Finance Co	46,058	92.4%	0.20%	0.15%	41
Oil & Natural Gas Corp Ltd	42,697	12.2%	0.46%	0.05%	41
Coal India Ltd	42,561	14.3%	0.47%	0.06%	39
State Bank of India	42,209	28.3%	1.01%	0.22%	53
Hindustan Unilever Ltd	41,727	31.2%	0.21%	0.06%	46
Sun Pharmaceutical Industries	39,404	57.6%	0.27%	0.15%	44
Tata Motors Ltd	34,176	60.4%	0.60%	0.25%	46
Maruti Suzuki India Ltd	33,599	36.9%	0.81%	0.23%	52
ICICI Bank Ltd	32,571	63.0%	0.47%	0.26%	49
Kotak Mahindra Bank Ltd	30,481	58.1%	0.15%	0.07%	36
Axis Bank Ltd	30,436	80.1%	0.57%	0.35%	57
Larsen & Toubro Ltd	29,073	69.9%	0.34%	0.21%	47
Indian Oil Corp	27,739	11.2%	0.67%	0.06%	38
NTPC Ltd	26,689	17.1%	0.34%	0.05%	37
BAL	26,275	27.9%	0.35%	0.10%	35
Mean	43,276	47.3%	0.39%	0.14%	46
Median	40,566	49.7%	0.34%	0.11%	45
Maximum	92,710	92.4%	1.01%	0.35%	57
Minimum	26,275	11.2%	0.07%	0.05%	35

Source: Bloomberg as at the Latest Practicable Date (8 September 2016)

Notes:

- ¹ All figures are as at the Latest Practicable Date
- ² Market capitalisation on a non-diluted basis. BAL's market capitalisation is calculated by taking the share price as at the Latest Practicable Date and multiplying by BAL's basic number of shares issued and outstanding of 3,997 million as at the Latest Practicable Date
- ³ Free float percentages are based on Bloomberg estimates. BAL's free float refers to the BAL Shares other than those held by Bharti Telecom Limited, Pastel Limited, Indian Continent Investment Limited, Viridian Limited and Three Pillars Pte. Limited, which amounts to approximately 1,115 million BAL Shares or equivalent to approximately 27.9% of the total issued share capital of BAL as at the Latest Practicable Date
- ⁴ Average daily trading volume for the last 12 months prior to the Latest Practicable Date
- ⁵ Average daily trading value for the last 12 months prior to the Latest Practicable Date
- ⁶ Latest analyst coverage sourced from Bloomberg

Based on Chart 16, we note that in the 12 months prior to the Latest Practicable Date, BAL's average daily trading value to market capitalisation of 0.10% is below the mean and median respectively, but within the minimum and the maximum range of average daily trading value to market capitalisation for the Top 20 Largest BSE and NSE Companies for the same 12-month period. Taking into account BAL's free float of 27.9%, its average daily trading volume to free float of 0.35% is within the minimum and the maximum range of average daily trading volume to free float for the Top 20 Largest BSE and NSE Companies for the same 12-month period, and between the mean and median respectively, therefore the analysis indicates that BAL Shares do not appear to suffer from illiquid trading conditions, particularly when taking into account the free float of the respective companies.

We have also considered the historical trading volume of the BAL Shares for the Last Trading Day and the 1-week, 1-month, 3-month, 6-month, 12-month and 24-month periods prior to the Proposed Acquisition Announcement Date, as well as the period from the Proposed Acquisition Announcement Date to the Latest Practicable Date, as set out in Chart 17.

Chart 17: Historical Trading Statistics of BAL Shares

	Total Volume Traded	Average Daily Trading Value (INR)	Average Daily Trading Volume	Daily Trading Volume as a % of Free Float ¹ (%)
Period up to the Proposed Acquisition Announcement Date				
Last Trading Day	3,389,751	1,175,346,000	3,389,751	0.30%
1 Week	12,999,516	1,121,843,325	3,249,879	0.29%
1 Month	80,205,449	1,314,243,545	3,645,702	0.33%
3 Month	213,549,445	1,191,259,752	3,336,710	0.30%
6 Month	437,062,541	1,258,492,370	3,582,480	0.32%
12 Month	945,200,518	1,311,258,643	3,842,279	0.34%
24 Month	2,178,128,670	1,640,346,054	4,427,091	0.40%
Period after the Proposed Acquisition Announcement Date				
Between Proposed Acquisition Announcement Date and the Latest Practicable Date	102,181,983	2,187,273,273	6,812,132	0.61%
Latest Practicable Date	3,628,907	1,173,894,000	3,628,907	0.33%

Source: Bloomberg as at the Latest Practicable Date (8 September 2016)

Note:

- ¹ Free float refers to the BAL Shares other than those held by Bharti Telecom Limited, Pastel Limited, Indian Continent Investment Limited, Viridian Limited and Three Pillars Pte. Limited, which amounts to approximately 1,115 million BAL Shares or equivalent to approximately 27.9% of the total issued share capital of BAL as at the Latest Practicable Date

For the 12-month period prior to the Proposed Acquisition Announcement Date, the average daily trading value has been approximately INR1.3 billion.

We note that the analysis of the historical trading volume of the BAL Shares includes the period from the Proposed Acquisition Announcement Date to the Latest Practicable Date. Announcements related to the Proposed Acquisitions may have had an impact on the trading volume of the BAL Shares during this period.

In addition, we note that in the period from the Proposed Acquisition Announcement Date to the Latest Practicable Date, the average daily trading value and volume increased significantly to INR2.2 billion and 6.8 million BAL Shares respectively. This compares with the 3-month average daily trading value and volume of INR1.2 billion and 3.3 million BAL Shares respectively prior to the Proposed Acquisition Announcement Date.

Our analysis of the historical trading volume of the BAL Shares and the average daily trading volume and value in comparison to the Top 20 Largest BSE and NSE Companies suggests that there is adequate liquidity in the BAL Shares and that the market prices of the BAL Shares should generally reflect a fundamental, market-based value of the BAL Shares.

9.3 Historical Share Price Performance Analysis

In evaluating whether the Agreed BAL Market Trading Price is on normal commercial terms and not prejudicial to the interests of the Company and the Minority Shareholders from a market price perspective, we have analysed the historical share price performance of the BAL Shares, while taking into consideration that global stock markets have experienced significant volatility in recent months. As BAL is listed on the BSE and the NSE, its share price should normally reflect the prevailing market assessment of fair value. Hence, we have used the historical trading prices of BAL Shares as one of the bases of our evaluation.

We set out below in Chart 18 the daily closing market price and trading volume of the BAL Shares for the 24-month period from 8 September 2014 to the Latest Practicable Date.

Chart 18: Historical Share Price Performance and Trading Volume of BAL



Source: Company filings and Bloomberg as at the Latest Practicable Date (8 September 2016)

Earnings Announcements:

1. 30 October 2014: Announcement of Q2 FY2015 Results
2. 4 February 2015: Announcement of Q3 FY2015 Results
3. 28 April 2015: Announcement of FY2015 Results
4. 4 August 2015: Announcement of Q1 FY2016 Results
5. 26 October 2015: Announcement of Q2 FY2016 Results
6. 28 January 2016: Announcement of Q3 FY2016 Results
7. 27 April 2016: Announcement of FY2016 Results
8. 14 July 2016: Announcement of Q1 FY2017 Results

Significant Events:

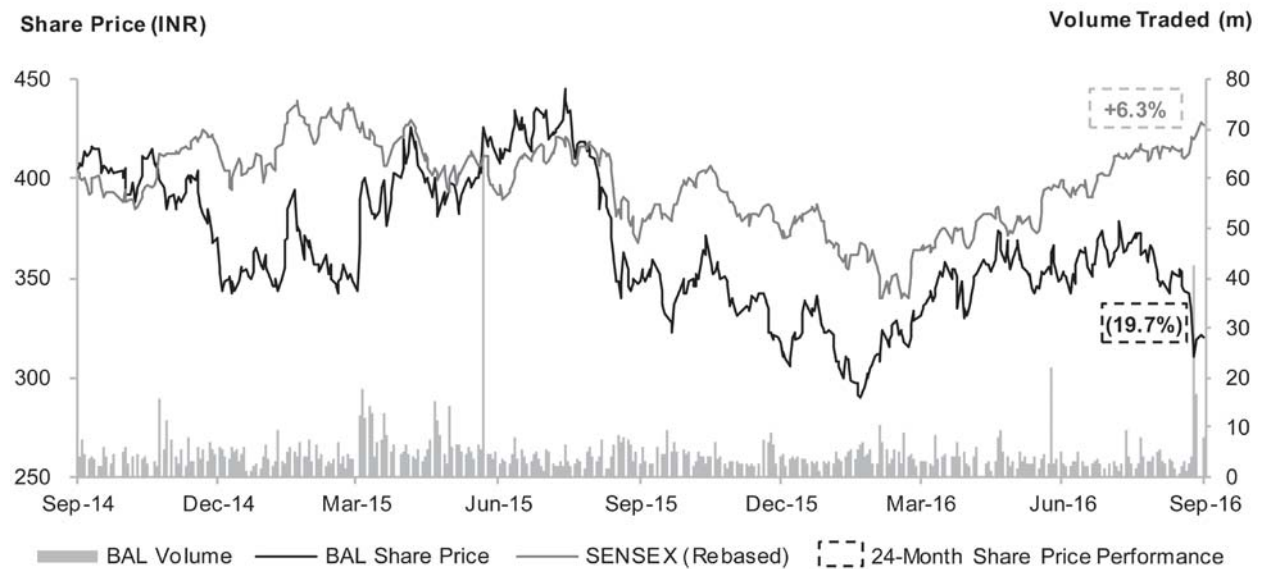
- A) 3 March 2015: Announcement of strategic collaboration with China Mobile
- B) 30 November 2015: Announcement of Rs. 60,000 crore investment on a comprehensive network transformation program – "Project Leap"
- C) 13 January 2016: Sale of subsidiaries in Burkina Faso and Sierra Leone to Orange
- D) 28 January 2016: Announcement of the merger of BAL's and Axiata's operations in Bangladesh
- E) 17 March 2016: Acquisition of VTL's rights in the 1,800MHZ band in India
- F) 8 April 2016: Acquisition of 4G LTD Spectrum from Aircel Limited
- G) 5 May 2016: Divestment of DRC telecoms tower assets to Helios Towers Africa
- H) 18 August 2016: Announcement of the Proposed Acquisitions and the Placement

Based on Chart 18, we note the following:

- (i) Over the past 24-month period, BAL has traded within a range of INR290 and INR445 per share, and has only traded below the Agreed BAL Market Trading Price for a short period in January/February 2016. The Agreed BAL Market Trading Price represents a premium of 11.6% to the lowest daily closing price and a discount of 27.4% to the highest daily closing price;
- (ii) For the 1-month period prior to the Proposed Acquisition Announcement Date, the BAL Shares traded between a low of INR342 and a high of INR373 per share;
- (iii) As at the Latest Practicable Date, the last traded market price of the BAL Shares was INR324, which is below the last traded price of the BAL Shares of INR346 on the Last Trading Day; and
- (iv) The Agreed BAL Market Trading Price represents a 6.4% discount to the last traded price of the BAL Shares of INR346 on the Last Trading Day, and a 0.3% discount to the last traded price of the BAL Shares of INR324 as at the Latest Practicable Date.

To gauge the market price performance of the BAL Shares relative to the general performance of the equity market in India, we have compared the market price movement of the BAL Shares against that of the S&P BSE SENSEX Index (“**SENSEX Index**”) for the 24-month period from 8 September 2014 to the Latest Practicable Date, as illustrated in Chart 19 below.

Chart 19: Relative Share Price Performance of BAL Shares against the SENSEX Index



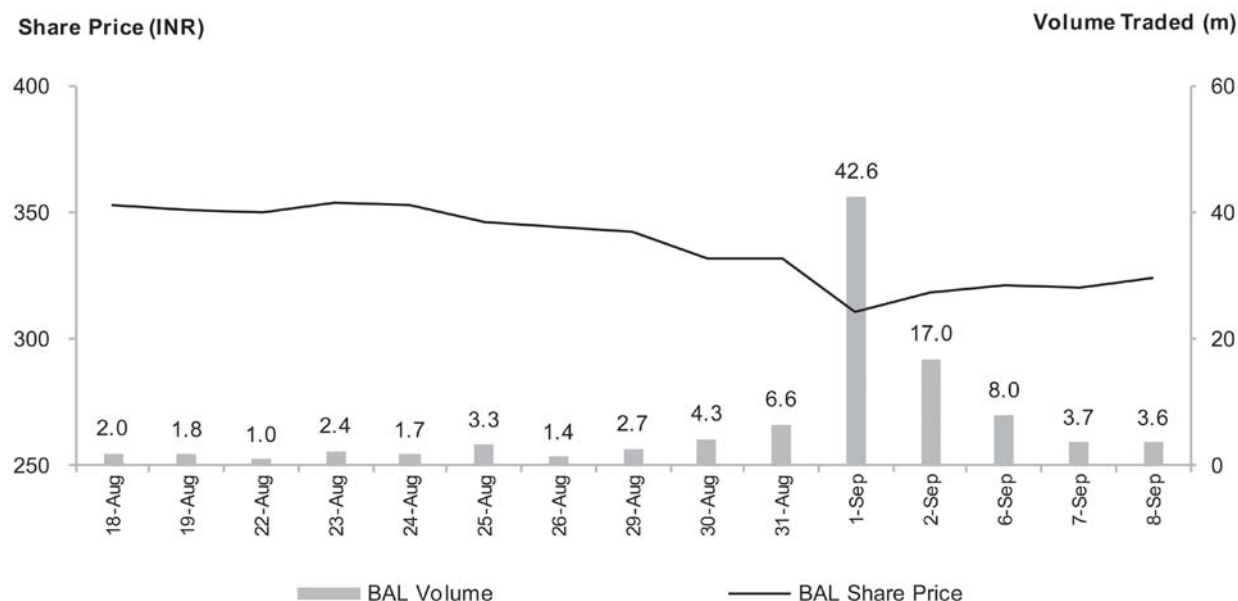
Source: Bloomberg as at the Latest Practicable Date (8 September 2016)

Based on Chart 19, we note that the BAL Shares have broadly tracked the performance of the SENSEX Index for the 24-month period before the Latest Practicable Date. We note that the price of BAL Shares has decreased by approximately 19.7% as compared to an increase of approximately 6.3% for the SENSEX Index over the same period.

Accordingly, over the period, movements in the price of BAL Shares may have been influenced by events highlighted in Chart 18. The Independent Directors should note that the movements in price of the BAL Shares may be due to a number of market factors, and the effect of individual factors may not be isolated and identified with certainty.

We have also set out below in Chart 20 the daily closing market price and trading volume of the BAL Shares from the Proposed Acquisition Announcement Date to the Latest Practicable Date.

Chart 20: Share Price Performance and Trading Volume of BAL from the Proposed Acquisition Announcement Date to the Latest Practicable Date



Source: Bloomberg as at the Latest Practicable Date (8 September 2016)

Based on Chart 20, we note that from the Proposed Acquisition Announcement Date to the Latest Practicable Date, the closing prices of the BAL Shares ranged between INR311 and INR354 per share and the total volume of BAL Shares traded was approximately 102 million shares, representing approximately 2.6% of the BAL's total outstanding shares as at the Latest Practicable Date. The Agreed BAL Market Trading Price represents a premium of 4.1% to the lowest daily closing price and a discount of 8.6% to the highest daily closing price between this period.

We have also analysed the various discounts implied by the Agreed BAL Market Trading Price to the Last Trading Day and the VWAP of the BAL Shares for the 1-week, 1-month, 3-month, 6-month, 12-month and 24-month periods prior to the Proposed Acquisition Announcement Date, as well as the period from the Proposed Acquisition Announcement Date to the Latest Practicable Date.

Chart 21: Volume Weighted Average Price¹ Analysis of BAL Shares

	Price (INR)	Premium/ (Discount) of Acquisition Price to VWAP (%)	Highest Closing Price (INR)	Lowest Closing Price (INR)
Agreed BAL Market Trading Price	323.44			
Period up to the Proposed Acquisition Announcement Date				
Last Trading Day (Closing Price)	345.65	(6.4%)	n.a.	n.a.
1 Week VWAP	345.20	(6.3%)	347.80	342.45
1 Month VWAP	360.49	(10.3%)	372.55	342.45
3 Month VWAP	357.02	(9.4%)	378.90	341.95
6 Month VWAP	351.29	(7.9%)	378.90	315.50
12 Month VWAP	341.27	(5.2%)	385.55	289.90
24 Month VWAP	370.52	(12.7%)	445.25	289.90
Period after the Proposed Acquisition Announcement Date				
VWAP Between Proposed Acquisition Announcement Date and the Latest Practicable Date				
Latest Practicable Date (Closing Price)	321.08	0.7%	353.75	310.85
Latest Practicable Date (Closing Price)	324.40	(0.3%)	n.a.	n.a.

Source: Bloomberg as at the Latest Practicable Date (8 September 2016)

Note:

¹ VWAP calculated as the daily trading value divided by the daily trading volume for the relevant period. VWAPs calculated on a calendar day basis (apart from the VWAP relating to the Agreed BAL Market Trading Price, which is calculated on a trading day basis)

Based on Chart 21, we note the following:

- (i) The Agreed BAL Market Trading Price represents a discount of approximately 0.3% to the closing price of the BAL Shares of INR324 on the Latest Practicable Date;
- (ii) The closing price of the BAL Shares on the Latest Practicable Date of INR324 represents a decrease of approximately 6.1% to the closing price of INR346 on the Last Trading Day;
- (iii) The Agreed BAL Market Trading Price represents a discount of approximately 6.4% to the closing price of the BAL Shares of INR346 on the Last Trading Day; and
- (iv) The Agreed BAL Market Trading Price represents a discount of approximately 6.3%, 10.3%, 9.4%, 7.9%, 5.2% and 12.7% respectively, to the VWAP of the BAL Shares in the 1-week, 1-month, 3-month, 6-month, 12-month and 24-month periods prior to the Proposed Acquisition Announcement Date.

9.4 Trading Comparables Analysis

We note that there are no listed companies that are directly comparable to BAL in terms of (*inter alia*) the composition of business activities, product lines, scale of operations, market capitalisation, asset-base, geographical spread of activities, customer base, track record, financial performance, operating and financial leverage, risk profile, liquidity, accounting policies, future prospects and other relevant criteria.

As such, as a basis for evaluation of the Proposed BTL Acquisition, we have focused on companies operating in emerging markets that have comparable business operations and geographical diversity to BAL. We have considered selected telecommunications companies in the markets in which BAL operates, including India and Africa, and have also included selected telecommunications companies listed in Southeast Asia given their comparable business operations, product offering and geographical diversity (together, the "**BAL Comparable Companies**"). The companies which we have selected are major telecommunications players and, in our opinion, are broadly comparable to BAL.

The list of BAL Comparable Companies and brief descriptions of the companies are set out below.

Chart 22: Brief Description of BAL Comparable Companies

Company Name	Market Cap ¹	Description
Singapore Telecommunications Limited	SGD64,887m	<ul style="list-style-type: none"> • Largest telecommunications company in Singapore by revenue, serving approximately 595 million mobile customers globally • Operates through the Group Consumer, Group Enterprise and Group Digital Life business segments providing voice and data solutions over fixed, wireless and internet platforms as well as infocomm technology and pay TV products and services • Australian presence through wholly-owned subsidiary, Optus, and holds strategic investments in foreign telecommunications companies including BAL (India, South Asia and Africa), Globe Telecom (Philippines), AIS (Thailand) and Telkomsel (Indonesia)
Vodacom Group Limited	SGD21,945m	<ul style="list-style-type: none"> • Unified communications provider with operations five countries across Africa serving approximately 61 million customers • Provides services such as managed connectivity, converged communications, connectivity and network, fixed-line and wireless connections, internet and virtual private network, hosted cloud, enterprise mobility, unified communication, machine to machine communications, broadband, track and monitor, mHealth, and mEducation, as well as wireless, fixed-line, satellite, mobile, and converged solutions
MTN Group Limited	SGD20,628m	<ul style="list-style-type: none"> • Mobile operator with approximately 230 million customers across Africa and the Middle East • Offers voice and data, and business services such as cloud, infrastructure, network, software and enterprise mobility • Also provides MTN mobile money account and digital lifestyle products
Axiata Group Berhad	SGD16,787m	<ul style="list-style-type: none"> • Telecommunications group which provides mobile services to approximately 290 million subscribers in Southeast Asia and South Asia • Also provides communications infrastructure services and digital services
Itissalat Al-Maghrib S.A. (Maroc Telecom)	SGD15,688m	<ul style="list-style-type: none"> • Telecommunication services provider with a direct network of approximately 440 retail branches and an indirect network of over 75,000 retailers • Offers prepaid and postpaid mobile services, data-transmission services, fixed-line data services and advertising services • Also sells mobile and fixed-line handsets and provides information engineering and IT services
Safaricom Limited	SGD10,166m	<ul style="list-style-type: none"> • Kenyan integrated telecommunication services provider with over 25 million subscribers, 200,000 touch points and over 100 different products under its portfolio • Provides voice, data and enterprise solutions for a range of subscribers, small businesses and government, using a variety of platforms

Company Name	Market Cap ¹	Description
Idea Cellular Ltd	SGD6,187m	<ul style="list-style-type: none"> • Third largest mobile operator in India with over 170 million subscribers • Provides mobile voice and data and other connectivity-based and location-based enterprise solutions to consumers and corporate customers
Sonatel S.A.	SGD5,257m	<ul style="list-style-type: none"> • Integrated telecommunication services provider with approximately 26 million customers under the Orange brand • Offers fixed-line telephony, mobile telephony, and data and broadband Internet services in Senegal, Mali, Guinea and Guinea Bissau
Reliance Communications Ltd	SGD2,555m	<ul style="list-style-type: none"> • Integrated telecommunications provider serving approximately 118 million customers • Provides mobile services to consumers, voice, long-distance services and broadband access to enterprise customers, managed internet data centres and direct-to-home TV in India • Also provides enterprise, IT infrastructure and international long distance voice, video and data network services to other carriers • Owns and operates over 280,000 kilometres of submarine fibre optic cable systems in India, USA, Europe, Middle East and the Asia Pacific region

Source: Company description based on publicly available information, including annual reports and company websites. Market capitalisation based on company filings and Bloomberg as at the Latest Practicable Date (8 September 2016)

Note:

¹. Market capitalisation is calculated based on share prices and exchange rates from Bloomberg as at the Latest Practicable Date. Market capitalisation is calculated on a fully-diluted basis assuming the treasury stock method

For the purpose of evaluating the financial terms of the Proposed BTL Acquisition, we have applied the LTM and 2016E EV/EBITDA and P/E valuation ratios in respect of the BAL Comparable Companies.

Chart 23 sets out the trading multiples for BAL and the BAL Comparable Companies as at the Latest Practicable Date.

Chart 23: BAL Trading Comparables Analysis

Company	Local Currency	Share Price (8-Sep-16)	Market Cap ¹ (\$m)	Enterprise Value ² (\$m)	EV/EBITDA ³		P/E	
					LTM ⁴	2016E ⁵	LTM ⁴	2016E ⁵
Singtel	SGD	4.06	64,887	82,382	9.1x	9.0x	16.6x	16.4x
EMERGING MARKET TELECOMMUNICATIONS								
Vodacom Group	ZAR	154.01	21,945	23,848	8.4x	7.9x	17.3x	16.5x
MTN Group	ZAR	116.81	20,628	25,350	3.9x	4.0x	18.4x	9.8x
Axiata Group	MYR	5.62	16,787	22,824	7.6x	7.3x	25.7x	25.6x
Maroc Telecom	MAD	128.00	15,688	18,355	7.8x	7.5x	19.8x	19.3x
Safaricom	KES	19.00	10,166	10,085	9.1x	8.2x	19.9x	17.6x
Idea Cellular	INR	84.40	6,187	13,850	5.2x	5.2x	12.4x	17.8x
Sonatel (Orange)	XOF	22,955.00	5,257	5,201	5.1x	4.8x	11.9x	11.3x
Reliance Communications	INR	50.45	2,555	9,110	6.6x	6.1x	18.4x	18.5x
Overall Median					7.6x	7.3x	18.4x	17.6x
Overall Mean					7.0x	6.7x	17.8x	17.0x
Overall Maximum					9.1x	9.0x	25.7x	25.6x
Overall Minimum					3.9x	4.0x	11.9x	9.8x
BAL (at market price)	INR	324.40	26,406	46,480	6.3x	6.1x	23.3x	24.4x
BAL (implied⁶)	INR	n.a.	n.a.	n.a.	6.3x	6.1x	23.3x	24.3x

Source: Company filings and Bloomberg as at the Latest Practicable Date (8 September 2016)

Notes:

Calendarised to 31 December year end

- Market capitalisation is calculated based on share prices and exchange rates from Bloomberg as at the Latest Practicable Date. Market capitalisation is calculated on a fully-diluted basis assuming the treasury stock method
- Enterprise value is calculated as market capitalisation + preference equity + net debt + minority interests. Enterprise value for Singtel calculated on a proportionally consolidated basis
- EV/EBITDA multiples adjusted to exclude share of income from associates. EBITDA for Singtel calculated on a proportionally consolidated basis
- LTM EBITDA and net income attributable to equity holders of the company adjusted for one-off and extraordinary items including foreign exchange losses/gains, gains/losses on divestment of assets, restructuring costs, impairment losses and other non-recurring provisions. Tax effect on these adjustments applied using the relevant statutory tax rates
- 2016E EBITDA and net income based on the latest consensus mean estimates for the respective companies quoted by Bloomberg as at the Latest Practicable Date
- Implied multiples based on the Agreed BAL Market Trading Price

The multiples for BAL implied by the Agreed BAL Market Trading Price are 6.3x, 6.1x, 23.3x and 24.3x on an LTM EV/EBITDA, 2016E EV/EBITDA, LTM P/E and 2016E P/E basis respectively. The implied multiples on a P/E basis are impacted by a significant one-off adjustment to BAL's net income attributable to equity holders for the financial year ended 31 March 2016, of INR14,505 billion (on a pre-tax basis), related predominantly to the divestment of telecom tower assets and other associated charges and restructuring expenses. For the purposes of calculating the implied LTM P/E multiple at the Agreed BAL Market Trading Price, we have normalised the net income attributable to equity holders for BAL by deducting the INR14,505 billion one-off adjustment as described above, on a post-tax basis. Similar normalisation adjustments have been completed for the quarters ended 30 June 2015 and 30 June 2016.

Based on Chart 23, we note that the multiples for BAL implied by the Agreed BAL Market Trading Price are:

- Within the range of the BAL Comparable Companies on an LTM EV/EBITDA, 2016E EV/EBITDA, LTM P/E and 2016E P/E basis; and
- Below the mean and median of the BAL Comparable Companies on an LTM EV/EBITDA and 2016E EV/EBITDA basis but above the mean and median on an LTM P/E and 2016E P/E basis.

In relation to the trends in implied valuation multiples described above, we would note that BAL currently and has historically traded at a P/E multiple premium to its closest telecommunications peers in the Indian market, Idea Cellular Ltd ("**Idea**") and Reliance Communications Ltd ("**Reliance**"). Certain factors that could contribute to this valuation premium, as described by various broker research houses, could include:

- (i) Stronger forecast growth in BAL's net profit after tax and net profit margin over the coming three years, relative to Idea and Reliance;
- (ii) BAL's position as the largest, most diversified and 'blue chip' telecommunications player in the Indian market, with a market capitalisation of ~SGD26 billion relative to Idea (~SGD6.2 billion) and Reliance (~SGD2.6 billion);
- (iii) BAL having one of the strongest spectrum positions amongst the Indian telecommunications incumbents, having acquired and invested heavily in significant incremental spectrum capacity over the past 24 months; and
- (iv) BAL's launch of 4G services on a pan-India basis, which strengthens the company's competitive position and could potentially mitigate the impact of a new market entrant.

It can also be noted that on a calendar year ending 31 December 2018 ("**2018E**") basis, BAL's P/E multiple (based on broker consensus earnings estimates) is significantly lower than its LTM and 2016E P/E multiple, by virtue of its strong forecast growth in net profit after tax as described above. As such, on a relative basis, BAL's 2018E P/E multiple based on current market prices (and BAL's 2018E P/E multiple implied by the Agreed BAL Market Trading Price), is more comparable to its key Indian telecommunications peers.

9.5 Precedent Transaction Analysis

We have also reviewed selected transactions announced from 1 January 2006 to the Latest Practicable Date, involving the acquisitions of minority equity stakes in telecommunications companies in India ("**BAL Precedent Transactions**"). The selected minority equity stake acquisitions involved the acquisition of a less than 50% stake in a target company. For the purposes of collating a list of representative transactions, we have excluded transactions where the transaction value was less than SGD100 million, and also excluded transactions involving a minority stake acquisition which subsequently led to a change of control transaction.

We note that the BAL Precedent Transactions are not directly comparable to BAL in terms of (*inter alia*) the composition of business activities, product lines, scale of operations, market capitalisation, asset-base, geographical spread of activities, track record, financial performance, operating and financial leverage, risk profile, liquidity, accounting policies, future prospects and other relevant criteria.

The Independent Directors should further note that the comparison is made without taking into consideration the relative efficiency of information, the underlying liquidity of the shares of the relevant companies, the performance of the shares of the companies, the quality of earnings prior to the relevant announcement and the market conditions, and sentiments when the announcements were made.

The list of BAL Precedent Transactions and brief descriptions of the target companies are set out below.

Chart 24: Brief Description of Target Companies of BAL Precedent Transactions

Target Name	Date of Announcement	Stake Acquired	Description (At Time of Acquisition)
Vodafone India Limited (previously known as "Vodafone Essar Limited")	4-Feb-12	5.5%	<ul style="list-style-type: none"> Provider of telecommunication and related services, operating in the mobile, enterprise and digital entertainment business segments Previously known as "Vodafone Essar Limited", before changing its name to "Vodafone India Limited" in Oct 2011 Private company majority-owned by Netherlands-based Vodafone International Holdings B.V., an international telecommunications company
Vodafone India Limited	10-Aug-11	5.5%	<ul style="list-style-type: none"> Refer above
Tata Teleservices (Maharashtra) Limited	12-Nov-08	12.0%	<ul style="list-style-type: none"> Provider of telecommunications services in Maharashtra and Goa in India Provides basic mobile services, broadband services for retail and enterprise customers and internet telephony services Listed on the BSE and NSE
Bharti Airtel Limited	18-Jul-07	5.0%	<ul style="list-style-type: none"> Integrated telecommunication company for consumers and businesses Operates through the mobile, broadband and telephone, enterprise and carrier services business segments Listed on the BSE and NSE
Idea Cellular Ltd.	7-Nov-06	8.0%	<ul style="list-style-type: none"> Provider of pre-paid and post-paid mobile services to consumers and businesses in 11 circles in India Listed on the BSE and NSE
Idea Cellular Ltd.	13-Oct-06	15.0%	<ul style="list-style-type: none"> Refer above
Spice Communications Limited	10-Mar-06	49.0%	<ul style="list-style-type: none"> Provider of pre-paid and post-paid mobile services in Punjab and Karnataka in India Private company majority owned by India-based BK Modi Group

Source: Company description based on publicly available information, including annual reports and company websites

Chart 25: BAL Precedent Transactions Analysis

Announcement Date	Target Name	Acquirer Name	% Acquired	Transaction Value (\$m)	Enterprise Value ¹ (\$m)	Equity Value (\$m)	LTM	
							EV/EBITDA ²	P/E ²
4-Feb-12	Vodafone India	Piramal Enterprises	5.5%	757	16,883	13,756	NA	NM
10-Aug-11	Vodafone India	Piramal Enterprises	5.5%	781	14,203	14,203	NA	NM
12-Nov-08	Tata Teleservices (Maharashtra) Limited	NTT DOCOMO, Inc.; Tata Sons Limited	12.0%	175	2,249	1,455	15.2x	NM
18-Jul-07	BAL	Bharti Enterprises	5.0%	1,971	40,827	39,503	13.0x	22.3x
7-Nov-06	Idea Cellular Ltd	GLG Partners	8.0%	335	5,334	4,189	12.8x	39.7x
13-Oct-06	Idea Cellular Ltd	Providence Equity Partners	15.0%	640	5,415	4,268	13.0x	40.4x
10-Mar-06	Spice Communications Limited	TM International	49.0%	291	911	594	15.0x	NM
Median							13.0x	39.7x
Mean							13.8x	34.2x
Maximum							15.2x	40.4x
Minimum							12.8x	22.3x
BAL (implied³)							6.3x	23.3x

Source: Bloomberg, Capital IQ, FactSet and relevant company information

Notes:

- Enterprise value is adjusted for net debt, preference equity, minority interests and associates as at the latest filings on the date of acquisition, unless otherwise stated. Converted to USD using exchange rates sourced from Bloomberg as at the date of announcement
- LTM EBITDA and net income attributable to equity holders of the company adjusted for one-off and extraordinary items including foreign exchange losses/gains, gains/losses on divestment of assets, restructuring costs, impairment losses and other non-recurring provisions. Tax effect on these adjustments applied using the relevant statutory tax rates
- Implied multiples based on the Agreed BAL Market Trading Price

Based on Chart 25, we note the following:

- The LTM EV/EBITDA multiple for BAL implied by the Agreed BAL Market Trading Price is below the range and is lower than the mean and median of the LTM EV/EBITDA multiples of the BAL Precedent Transactions; and
- The LTM P/E multiple for BAL implied by the Agreed BAL Market Trading Price is within the range and is lower than the mean and median of the LTM P/E multiples of the BAL Precedent Transactions.

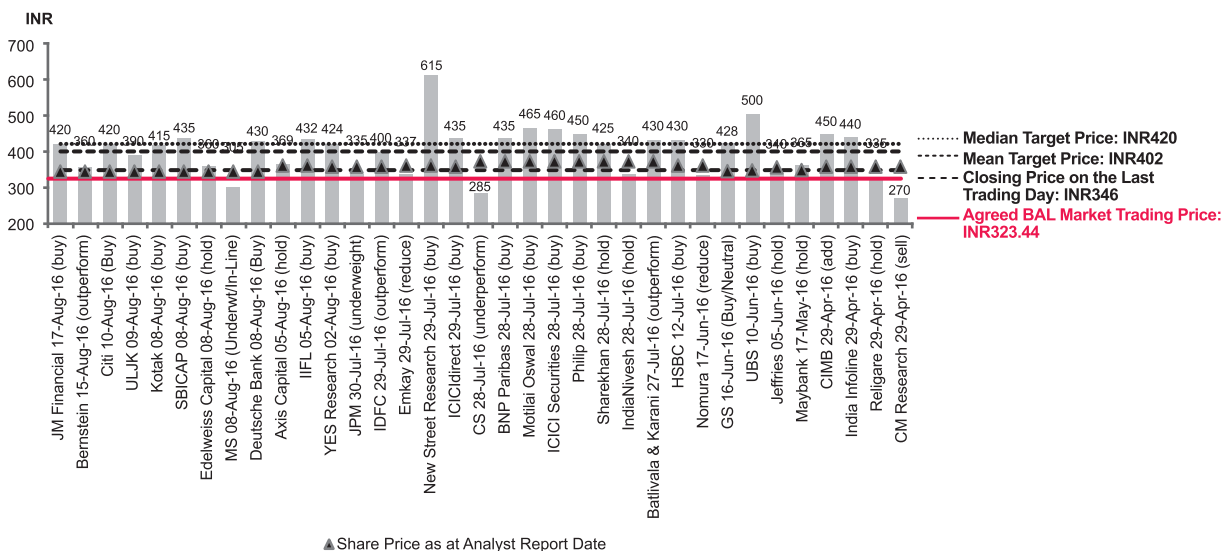
We would like to highlight that while valuation multiples implied by precedent transactions would typically include a premium required to obtain control, given the above list of transactions relates to only minority strategic stake acquisitions by telecommunication groups or private equity groups focused on this sector, this 'control premium' effect is likely to be less pronounced. Hence we believe these precedent multiples are appropriate as one benchmark in conducting our evaluation of the Proposed BTL Acquisition (subject to our comments above around overall applicability of precedent transaction multiples as a whole).

9.6 Broker Research Price Targets

We have reviewed the price targets for the BAL Shares estimated by the broker research houses, as set out in Bloomberg, in Charts 26 and 27 below.

BAL is covered by 35 brokerage houses according to Bloomberg. Between 27 April 2016, being the release of BAL's results for the full year ended 31 March 2016, and the Proposed Acquisition Announcement Date, 35 brokerage houses issued research reports with a price target on BAL, according to Bloomberg data.

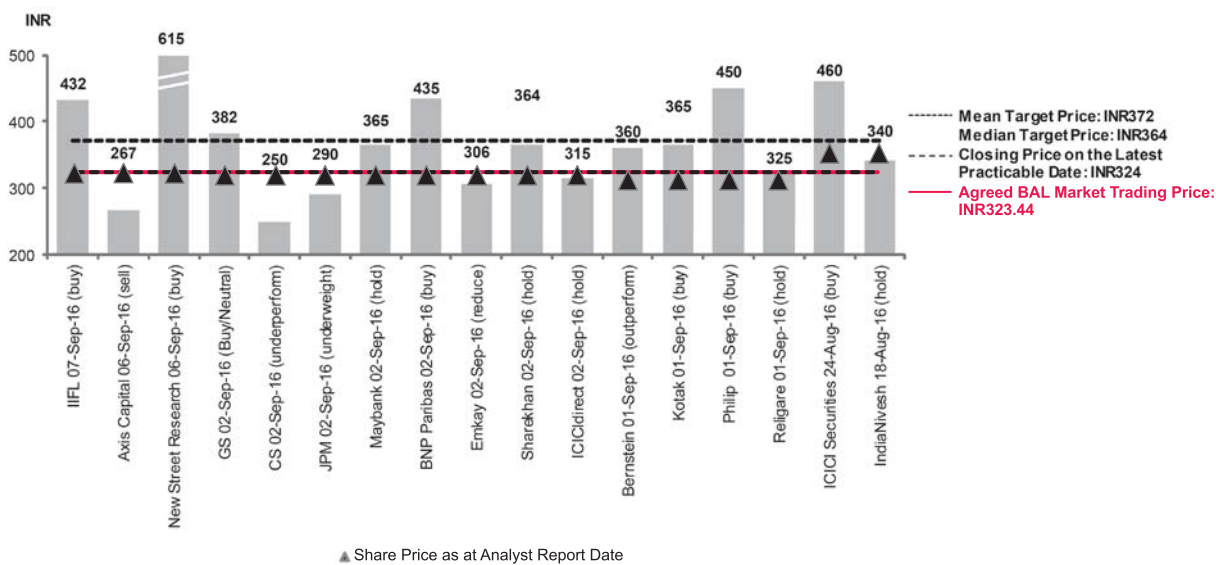
Chart 26: Broker Price Targets (pre-Proposed Acquisition Announcement Date)



Source: Bloomberg as at the Proposed Acquisition Announcement Date (18 August 2016)

From the Proposed Acquisition Announcement Date to the Latest Practicable Date, 17 brokerage houses issued updated research reports on BAL, according to Bloomberg data.

Chart 27: Broker Price Targets (Proposed Acquisition Announcement Date to Latest Practicable Date)



Source: Bloomberg as at the Latest Practicable Date (8 September 2016)

- (i) The Agreed BAL Market Trading Price represents a discount of 19.5% and 23.0% to the mean and median pre-Proposed Acquisition Announcement Date BAL broker price target of INR402 and INR420 respectively; and
- (ii) The Agreed BAL Market Trading Price represents a discount of 13.0% and 11.1% to the mean and median post-Proposed Acquisition Announcement Date BAL broker price target of INR372 and INR364 respectively.

9.7 Sum-of-the-Parts/Discounted Cash Flow Analysis

The primary asset held by BTL and the subject of the SOTP and DCF analysis is BAL, a company limited by shares incorporated in India under the Companies Act, 1956 of India and its principal activities include the provision of mobile, long distance, broadband and telephony telecommunications services, enterprise solutions, pay television and passive infrastructure.

9.7.1 Framework of the Sum-of-the-Parts/Discounted Cash Flow Analysis

Singtel has provided us with confidential financial projections in relation to BAL which has formed the basis of the SOTP and DCF analysis of BTL. These financial projections have been prepared and reviewed by Singtel management, based on publicly available information and an 'outside-in' view of the financial performance of the BAL business. These projections do not reflect the internal forecasts of BAL itself.

We have based our SOTP analysis on the financial projections provided for BAL by Singtel and we have not independently verified (nor have we assumed responsibility or liability for independently verifying) any such information or its accuracy or completeness or adequacy.

We have applied DCF methodology in our SOTP analysis. Under the DCF methodology, we arrive at an enterprise valuation for BAL on a standalone basis by discounting the unlevered cash flow projections for each of BAL's business divisions, namely India Telecommunications, Africa Telecommunications, Tower Infrastructure Services, DTH/Pay-TV and the smaller South Asia business by a relevant discount rate for each business (described below). After subtracting net debt attributable to BAL (based on BAL's forecast net debt balance as at 31 December 2016), we derive an equity value for BAL.

9.7.2 Holding Company Discount and Unconsolidated Net Cash

As outlined above, given BTL is an investment holding company, and its principal investment is its shareholding in BAL, we believe it may be appropriate to apply a 'holding company discount' to the value of BTL's stake in BAL to reflect lower liquidity of the holding company (which is unlisted), reduced control over BAL and tax inefficiencies in streaming dividends from BAL to BTL and then to its ultimate shareholders, though we note BAL has not paid significant dividends historically.

The Independent Directors should note for the purposes of our analysis, we have applied a range of holding company discounts of differing magnitude in deriving our final SOTP DCF valuation range for BTL as the quantification of such discount is highly subjective especially given BTL is an unlisted company and hence there is no market reference to quantify the size of a potential holding company discount, if any. We note however that the terms of the Proposed BTL Acquisition envisage an Agreed BAL Market Trading Price which is 90% of BAL's 20-day VWAP.

For illustrative purposes, we have further analysed benchmarks around premia or discounts paid in transactions involving minority stake acquisitions in the Indian market as set out in Chart 28 below.

Chart 28: Minority Stake Acquisition Premia or Discounts in the Indian Market

Announcement Date	Target	Buyer	Seller	% Stake Acquired	Transaction Value (\$m)	Premium/(Discount) to 20-Day VWAP (%) ¹
15-Aug-13	BTL	Singtel	Temasek	3.6% ²	385	(12.2%)
3-May-13	BAL	Qatar Foundation Endowment	BAL (Private Placement)	5.0%	1,558	20.8%
18-Jul-07 ³	BAL	Bharti Enterprise	Vodafone	5.0%	1,971	(35.4%)
28-Oct-05	Bharti Enterprise & BAL	Vodafone	Bharti Enterprise (Convertible Debenture) & Warburg Pincus	10.0% ⁴	2,491	7.3%
20-May-05	BTL	Singtel	BTL (Private Placement)	5.9% ⁵	417	3.6%
Mean⁶						4.9%
Median⁶						5.5%
Maximum⁶						20.8%
Minimum⁶						(12.2%)

Source: Bloomberg, Capital IQ, FactSet and relevant company information

Notes:

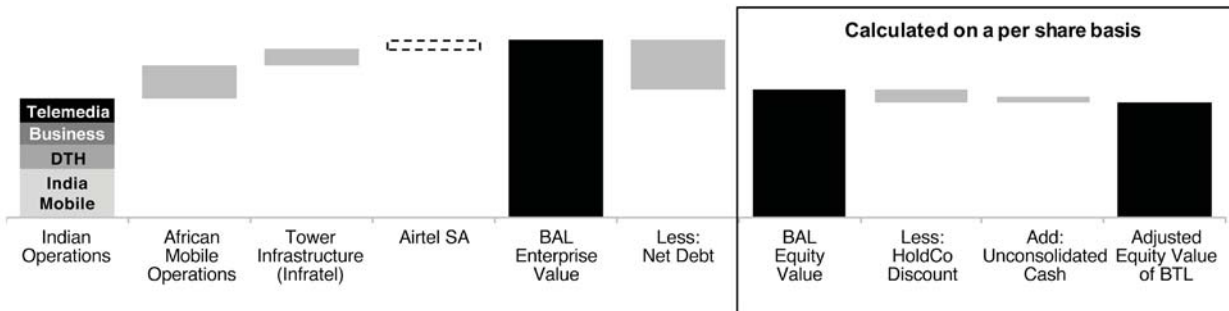
- ¹ For transactions involving BTL, the relevant share price reference for the calculation of the premium/(discount) is the 20-day VWAP of BAL
- ² Represents an effective stake of 1.6% in BAL
- ³ Vodafone was required to sell down its stake in BAL to comply with regulatory requirements
- ⁴ Represents the total effective stake in BAL
- ⁵ Represents an effective stake of 2.7% in BAL
- ⁶ Excludes the transaction involving Vodafone on 18 July 2007

The Independent Directors should also note that as the circumstances for each of the companies listed is unique and as the companies or the transactions may not be identical to BAL or the Proposed BTL Acquisition in terms of business activities, size of operations, market capitalisation, asset base, risk profile, track record, future prospects and other relevant criteria, the analysis is necessarily limited. Further, this list is by no means exhaustive and information relating to the said companies was compiled from publicly available information.

BTL also has INR16,114 million in unconsolidated net cash on its balance sheet as at 31 March 2016. This cash amount, adjusted for INR4,533 million used in the on market acquisition of 14.6 million BAL shares between 1 September 2016 and 2 September 2016, has also been added to BAL's equity value to derive the final SOTP DCF value range per share for BTL.

An illustrative representation of the overall SOTP valuation process is provided below for reference.

Chart 29: Illustrative Representation of the SOTP Valuation Approach



9.7.3 Discount Rates

When evaluating the appropriate discount rate for BAL, we have used the CAPM and the WACC, which are commonly used methodologies, to calculate the appropriate discount rate to apply to the projected cash flows of each of BAL’s business divisions.

9.7.4 Conclusion

Based on the results of our SOTP and DCF analysis, we have determined that the BTL Acquisition Price is within the calculated per share valuation range for BTL.

9.8 Conclusion on the Proposed BTL Acquisition

In arriving at our opinion to the Independent Directors, we have taken into consideration and relied upon (*inter alia*) the following key factors which should be read in conjunction with, and interpreted, in the full context of this letter:

- (i) The rationale and benefits of the Proposed Acquisitions and other considerations by Singtel;
- (ii) The BAL Shares have adequate liquidity and we therefore believe that the historical share prices of BAL provide a meaningful reference price against which to compare the Agreed BAL Market Trading Price;
- (iii) In the 24-month period prior to the Proposed Acquisition Announcement Date, the BAL Shares have traded between INR290 and INR445 based on the daily closing price. The Agreed BAL Market Trading Price represents a premium of 11.6% to the lowest daily closing price and a discount of 27.4% to the highest daily closing price;
- (iv) Following the Proposed Acquisition Announcement Date up to the Latest Practicable Date, the BAL Shares have traded between INR311 and INR354 based on the daily closing price. The Agreed BAL Market Trading Price represents a premium of 4.1% to the lowest daily closing price and a discount of 8.6% to the highest daily closing price;
- (v) Based on our comparison of the Agreed BAL Market Trading Price against BAL’s VWAP over the various timeframes, we have assessed:
 - The Agreed BAL Market Trading Price represents a discount of approximately 0.3% to the closing price of the BAL Shares of INR324 on the Latest Practicable Date;
 - The Agreed BAL Market Trading Price represents a discount of approximately 6.4% to the closing price of the BAL Shares of INR346 on the Last Trading Day; and
 - The Agreed BAL Market Trading Price represents a discount of approximately 6.3%, 10.3%, 9.4%, 7.9%, 5.2% and 12.7% respectively, to the VWAP of the BAL Shares in the 1-week, 1-month, 3-month, 6-month, and 12-month and 24-month periods prior to the Proposed Acquisition Announcement Date.

-
- (vi) Based on our comparison of the valuation multiples implied by the Agreed BAL Market Trading Price against the BAL Comparable Companies, we have assessed:
- The multiples for BAL implied by the Agreed BAL Market Trading Price are within the range of the BAL Comparable Companies on an LTM EV/EBITDA, 2016E EV/EBITDA, LTM P/E and 2016E P/E basis; and
 - The multiples for BAL implied by the Agreed BAL Market Trading Price are below the mean and median of the BAL Comparable Companies on an LTM EV/EBITDA and 2016E EV/EBITDA basis but above the mean and median on an LTM P/E and 2016E P/E basis.
- (vii) Based on our comparison of the valuation multiples implied by the Agreed BAL Market Trading Price against the BAL Precedent Transactions, we have assessed:
- The LTM EV/EBITDA multiple for BAL implied by the Agreed BAL Market Trading Price is below the range and is lower than the mean and median of the LTM EV/EBITDA multiples of the BAL Precedent Transactions; and
 - The LTM P/E multiple for BAL implied by the Agreed BAL Market Trading Price is within the range and is lower than the mean and median of the LTM P/E multiples of the BAL Precedent Transactions.
- (viii) Based on our analysis of broker research price targets for the BAL Shares:
- For certain research reports issued by stock brokers prior to the Proposed Acquisition Announcement Date in relation to the BAL Shares, the Agreed BAL Market Trading Price represents a discount in the range of 19.5% to 23.0% to the mean and median BAL broker price targets assessed; and
 - For certain research reports issued by stock brokers from the Proposed Acquisition Announcement Date to the Latest Practicable Date, the Agreed BAL Market Trading Price represents a discount in the range of 11.1% to 13.0% to the median and mean BAL broker price targets assessed.
- (ix) We note that based on the results of our SOTP and DCF analysis, the Agreed BAL Market Trading Price falls within the calculated per share valuation range for BTL.

After having carefully considered the information available to us, and based on the foregoing and subject to our terms of reference as set out in section 2 above, as at the Latest Practicable Date, we are of the opinion that the terms of the Proposed BTL Acquisition as an Interested Person Transaction are (1) on normal commercial terms and (2) not prejudicial to the interests of the Company and the Minority Shareholders. Please see section 8 and section 10 of this letter for our opinion on the Proposed Intouch Acquisition and the Placement, and section 12 of this letter for our opinion on the Proposed Acquisitions and the Placement.

10 EVALUATION OF THE PLACEMENT

As described above, inter-conditional with the Proposed Acquisitions, Singtel also intends to conduct an equity placement of 385,581,351 new fully paid ordinary shares in the capital of the Company, issued to the Placee, having a total value of approximately SGD1,605 million and issued at a price of SGD4.16⁵ per New Share, representing a 1.0% discount to the VWAP of Singtel shares traded on the SGX-ST for the 20 Singapore trading days prior to the execution date of the Placement Agreement.

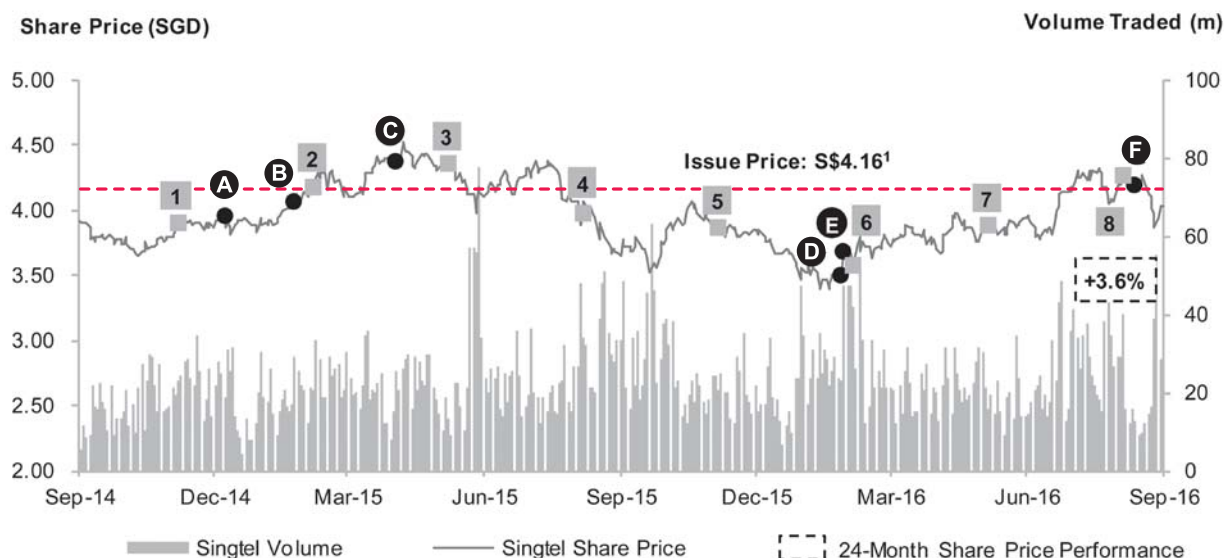
Upon allotment and issuance of the New Shares to the Placee, Temasek will continue to be the single largest shareholder of the Company through its direct and indirect interests in Singtel.

In evaluating the Placement (in particular the Issue Price, being the price per New Share at which Singtel Shares are issued to the Placee under the terms of the Placement), it would be relevant to examine the share price performance and trading volume of the Singtel Shares over a reasonably current period, during which the market price of the Singtel Shares may ordinarily have reflected investors' valuation of the Singtel Shares based on all recent publicly available information relating to the Company. Based on the Company's announcement on 18 August 2016 in connection with (*inter alia*) the Proposed Acquisitions, we note that the Issue Price of SGD4.16⁵ per New Share was arrived at by applying a 1.0% discount to the VWAP of approximately SGD4.21 for the 20 Singapore trading days prior to 18 August 2016, being the date on which the Placement Agreement was signed.

In conducting the evaluation in the following section, please note that our analysis is based solely on publicly available information relating to Singtel. We have not been provided with any non-public information by Singtel, including forecasts or any other financial information.

We have set out below in Chart 30 the daily closing market price and trading volume of the Singtel Shares for the 24-month period from 8 September 2014 to the Latest Practicable Date.

Chart 30: Historical Share Price Performance and Trading Volume of Singtel



Source: Company filings and Bloomberg as at the Latest Practicable Date (8 September 2016)

Note:

¹ Issue Price per share for Singtel is based on a 1.0% discount to Singtel's 20-Singapore trading day VWAP (approximately SGD4.21 per share) as at the Proposed Acquisition Announcement Date

⁵ Rounded to two decimal places.

Earnings Announcements:

1. 13 November 2014: Announcement of Q2 FY2015 Results
2. 12 February 2015: Announcement of Q3 FY2015 Results
3. 14 May 2015: Announcement of FY2015 Results
4. 13 August 2015: Announcement of Q1 FY2016 Results
5. 12 November 2015: Announcement of Q2 FY2016 Results
6. 12 February 2016: Announcement of Q3 FY2016 Results
7. 12 May 2016: Announcement of FY2016 Results
8. 11 August 2016: Announcement of Q1 FY2017 Results

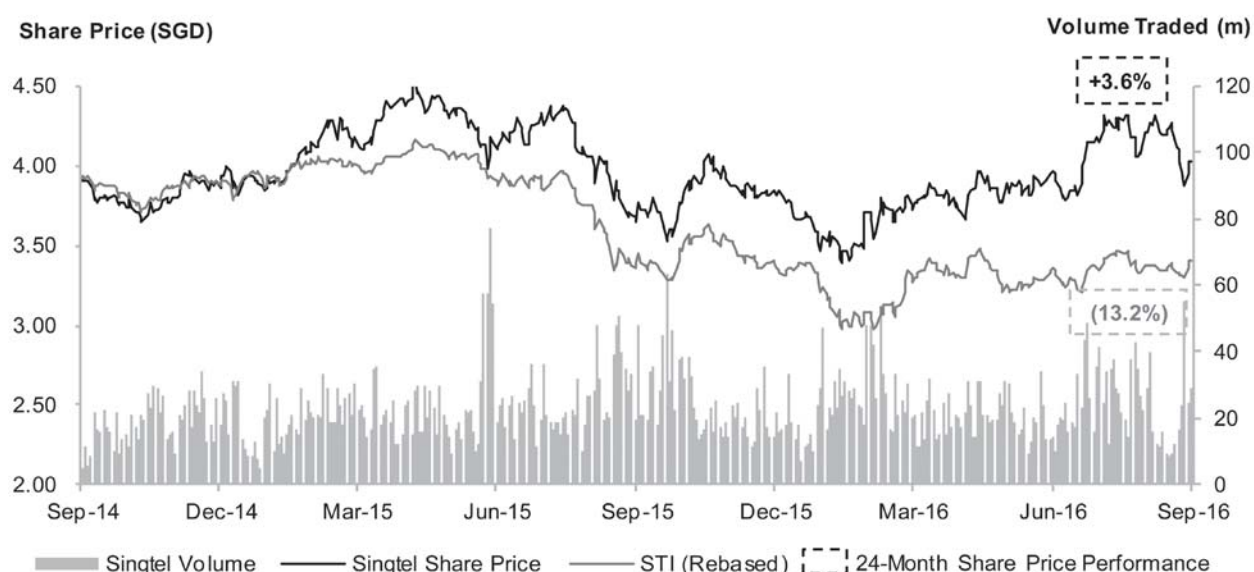
Significant Events:

- A) 14 December 2014: Announcement of agreement between Optus and NBN Co on Hybrid Fibre Coaxial Network
- B) 30 January 2015: Announcement of OTT video JV with Sony Pictures Entertainment and Warner Bros. Entertainment
- C) 8 April 2015: Acquisition of US-based security services provider, Trustwave, for an approximate consideration of USD810 million
- D) 3 February 2016: Announcement of subscription of shares in BTL through a rights issue
- E) 5 February 2016: Acquisition of new regional licenses in the 1800MHz spectrum by Optus
- F) 18 August 2016: Announcement of the Proposed Acquisitions and the Placement

Based on Chart 30, we can see that the Issue Price is within Singtel's overall trading range over the past 24 months.

To evaluate the market price performance of the Singtel Shares relative to the general performance of the equity market in Singapore, we have compared the market price movement of the Singtel Shares against that of the FTSE Straits Times Index ("STI") for the 24-month period from 8 September 2014 to the Latest Practicable Date, as illustrated in Chart 31 below.

Chart 31: Relative Share Price Performance of Singtel Shares against the STI



Source: Bloomberg as at the Latest Practicable Date (8 September 2016)

Based on Chart 31, we note that the Singtel Shares have outperformed the STI in relative terms over most periods over the past 24 months. Over the 24-month period before the Latest Practicable Date, the Singtel share price has increased by 3.6% while the STI has decreased by 13.2% over the same period.

In general, it appears that the market had a neutral reaction to the Company's announcement in relation to the Proposed Acquisitions and the Placement. While the potential outcome of the Proposed Acquisitions and the Placement may have contributed to the general performance of the market traded price of the Singtel Shares from the Proposed Acquisition Announcement Date to the Latest Practicable Date (even though the Proposed Acquisitions and the Placement are subject to certain conditions precedent as set out in section 4 of the Circular), the Independent Directors should note, however, that the movements in the price of the Singtel Shares may be due to a number of market factors, and the effect of individual factors may not be isolated and identified with certainty. We note that since the Proposed Acquisition Announcement Date, the Singtel Shares have outperformed their listed telecommunications comparables on the SGX-ST.

We have also considered the historical trading statistics of the Singtel Shares for the Last Trading Day and the 1-week, 1-month, 3-month, 6-month, 12-month and 24-month periods prior to the Proposed Acquisition Announcement Date, as well as the period from the Proposed Acquisition Announcement Date to the Latest Practicable Date, as set out in Chart 32.

Chart 32: Historical Trading Statistics of Singtel Shares

	Total Volume Traded	Average Daily Trading Value (SGD)	Average Daily Trading Volume	Daily Trading Volume as a % of Free Float¹ (%)
Period up to the Proposed Acquisition Announcement Date				
Last Trading Day	11,623,200	49,116,380	11,623,200	0.15%
1 Week	91,691,300	78,350,666	18,338,260	0.24%
1 Month	549,459,801	105,212,759	24,975,446	0.32%
3 Month	1,460,911,109	92,948,829	22,826,736	0.29%
6 Month	2,737,699,909	85,757,251	21,727,777	0.28%
12 Month	5,848,051,990	89,195,743	23,299,012	0.30%
24 Month	10,702,939,623	84,387,174	21,405,879	0.27%
Period after the Proposed Acquisition Announcement Date				
<i>Between Proposed Acquisition Announcement</i>				
<i>Date and the Latest Practicable Date</i>	309,890,300	78,348,834	19,368,144	0.25%
<i>Latest Practicable Date</i>	14,112,700	56,848,080	14,112,700	0.18%

Source: Bloomberg as at the Latest Practicable Date (8 September 2016)

Note:

¹ Free float refers to the Singtel Shares other than those held by Temasek Holdings (Private) Limited, which amounts to approximately 8,150 million Singtel Shares or equivalent to approximately 51.1% of the total issued share capital of Singtel as at the Latest Practicable Date

For the 12-month period prior to the Proposed Acquisition Announcement Date, the average daily trading value has been approximately SGD89.2 million.

We note that the analysis of the historical trading volume of the Singtel Shares includes the period from the Proposed Acquisition Announcement Date to the Latest Practicable Date. Announcements related to the Proposed Acquisitions and the Placement may have had an impact on the trading volume of the Singtel Shares during this period.

In addition, we note that in the period from the Proposed Acquisition Announcement Date to the Latest Practicable Date, the average daily trading value and volume was SGD78.3 million and 19.4 million Singtel Shares respectively. This compares with the 3-month average daily trading value and volume of SGD92.9 million and 22.8 million Singtel Shares respectively prior to the Proposed Acquisition Announcement Date.

Chart 33: Volume Weighted Average Price¹ Analysis of Singtel Shares

	Price (SGD)	Premium/ (Discount) of Issue Price to VWAP (%)	Highest Closing Price (SGD)	Lowest Closing Price (SGD)
Issue Price	4.16			
Period up to the Proposed Acquisition Announcement Date				
Last Trading Day (Closing Price)	4.21	(1.1%)	n.a.	n.a.
1 Week VWAP	4.27	(2.6%)	4.31	4.21
1 Month VWAP	4.21	(1.2%)	4.32	4.05
3 Month VWAP	4.07	2.2%	4.32	3.78
6 Month VWAP	3.95	5.5%	4.32	3.64
12 Month VWAP	3.83	8.7%	4.32	3.39
24 Month VWAP	3.94	5.6%	4.53	3.39
Period after the Proposed Acquisition Announcement Date				
VWAP Between Proposed Acquisition Announcement				
Date and the Latest Practicable Date	4.05	2.9%	4.27	3.87
Latest Practicable Date (Closing Price)	4.06	2.5%	n.a.	n.a.

Source: Bloomberg as at the Latest Practicable Date (8 September 2016)

Note:

¹ VWAP calculated as the daily trading value divided by the daily trading volume for the relevant period. VWAPs calculated on a calendar day basis (apart from the VWAP relating to the Issue Price, which is calculated on a trading day basis)

Based on Chart 33, we note the following:

- (i) The Issue Price represents a premium of approximately 2.5% to the closing price of the Singtel Shares of SGD4.06 on the Latest Practicable Date;
- (ii) The closing price of the Singtel Shares on the Latest Practicable Date of SGD4.06 represents a decrease of approximately 3.6% to the closing price of SGD4.21 on the Last Trading Day;
- (iii) The Issue Price represents a discount of approximately 1.1% to the closing price of the Singtel Shares of SGD4.21 on the Last Trading Day; and
- (iv) The Issue Price represents discounts of approximately 2.6% and 1.2% respectively, to the VWAP of the Singtel Shares in the 1-week and 1-month periods prior to the Proposed Acquisition Announcement Date, and premia of approximately 2.2%, 5.5%, 8.7% and 5.6% respectively, to the VWAP of the Singtel Shares in the 3-month, 6-month, 12-month and 24-month periods prior to the Proposed Acquisition Announcement Date.

We have also compared the details of other equity placements undertaken by companies in Singapore ("**Equity Placement Comparables**"), as well as other transactions throughout Asia wherein the relevant purchase consideration was satisfied via the allotment and issuance of new shares, with or without a related cash payment ("**Scrip Acquisition Comparables**") (together, the "**Scrip Issuance Comparables**"). This provides (*inter alia*) a comparison of the precedent issue price premia and discounts at which the buyer's or issuer's scrip has been issued, relative to last transacted prices.

The selected transactions involved either an equity placement (for a variety of purposes) to a single group or the acquisition of a less than 50% stake in a target company, with the acquirer holding a resultant shareholding of less than 50% in the target company. We have excluded transactions where the transaction value was less than SGD100 million, and also excluded transactions involving a minority stake acquisition which subsequently led to a change of control transaction.

Chart 34: Scrip Issuance Comparables

Announcement Date	Target / Issuer Name	Acquirer / Subscriber Name	Country of Target / Issuer	Country of Acquirer / Subscriber	Percentage of Issued Shares to Existing Shares (%)	Issue Price (LCU)	20-Day VWAP (LCU)	Premium/(Discount) of Issue Price to 20-Day VWAP (%)
EQUITY PLACEMENT COMPARABLES								
28-Aug-15	Olam International	Mitsubishi Corp	Singapore	Japan	13.6%	2.75	1.84	49.6%
8-Jul-15	Singapore Post	Alibaba Group	Singapore	China	5.0%	1.74	1.90	(8.6%)
30-Jun-14	Ying Li International	China Everbright	Singapore	China	17.5%	0.26	0.30	(12.6%)
28-May-14	Singapore Post	Alibaba Group	Singapore	China	11.5%	1.42	1.48	(4.3%)
16-Apr-14	Ezion Holdings	Hong Leong Group	Singapore	Malaysia	8.3%	1.94	2.14	(9.2%)
18-Feb-14	Global Logistic Properties	Khangai Co ¹	Singapore	China	1.6%	2.76	2.84	(2.9%)
7-Jun-11	Olam International	Temasek Holdings	Singapore	Singapore	4.4%	2.60	2.85	(8.6%)
1-Jun-09	Olam International	Temasek Holdings	Singapore	Singapore	16.0%	1.60	1.91	(16.4%)
8-Dec-06	Fraser and Neave	Temasek Holdings	Singapore	Singapore	17.5%	4.38	4.40	(0.4%)
Equity Placement Comparables Median					11.5%			(8.6%)
Equity Placement Comparables Mean					10.6%			(1.5%)
SCRIP ACQUISITION COMPARABLES								
18-Sep-14	Marina Bay Financial Centre Tower 3	Keppel REIT	Singapore	Singapore	5.4%	1.22	1.24	(2.0%)
9-Jun-14	IJM Land	IJM Corp	Malaysia	Malaysia	19.3%	6.70	6.64	0.9%
28-Oct-13	ARA Asset Management	Straits Trading	Singapore	Singapore	3.5%	3.65	3.64	0.3%
31-May-13	SM Investments Corp	SM Prime Holdings	Philippines	Philippines	8.9%	19.50	20.26	(3.8%)
19-Dec-11	YTL Cement	YTL Industries	Malaysia	Malaysia	7.9%	1.42	1.45	(1.8%)
9-Feb-11	Magnum Holdings	Magnum Bhd	Malaysia	Malaysia	33.4%	2.30	2.42	(4.8%)
14-Dec-10	Prasit Patana PCL	Bangkok Dusit Medical Services PCL	Thailand	Thailand	9.1%	37.75	38.74	(2.5%)
14-May-10	PT Bank CIMB Niaga	CIMB Group Holdings	Indonesia	Malaysia	3.8%	14.50	13.34	8.7%
17-Jun-09	PetroVietnam Drilling Investment	Petrovietnam Drilling & Well Services JSC	Vietnam	Vietnam	19.5%	77,000	78,964	(2.5%)
4-Feb-09	IOI Properties	IOI Corp	Malaysia	Malaysia	1.9%	3.78	3.97	(4.8%)
5-Sep-08	Industrial Concrete Products	IJM Corp	Malaysia	Malaysia	9.4%	5.06	5.29	(4.4%)
30-Nov-07	WCT Land	WCT Holdings	Malaysia	Malaysia	18.6%	7.97	8.16	(2.3%)
16-Jan-16	Dalmia Cement (Bharat)	Dalmia Cement	India	India	9.2%	767	802	(4.4%)
16-Oct-14	CMC	Tata Consultancy	India	India	0.6%	2,699	2,700	(0.0%)
24-Jul-13	Holcim (India)	Ambuja Cements	India	India	37.8%	197	193	1.6%
12-Jun-12	Suzuki Powertrain India	Maruti Suzuki India	India	India	2.1%	1,111	1,128	(1.5%)
29-Oct-11	Siemens VAI Metals Technologies	Siemens Ltd	India	India	3.4%	852	832	2.4%
2-Mar-09	Reliance Petroleum	Reliance Industries	India	India	4.4%	1,255	1,310	(4.2%)
Scrip Acquisition Comparables Median					8.4%			(2.2%)
Scrip Acquisition Comparables Mean					11.0%			(1.4%)
Overall Median					8.9%			(2.5%)
Overall Mean					10.9%			(1.4%)
Overall Maximum					37.8%			49.6%
Overall Minimum					0.6%			(16.4%)

Source: Bloomberg, Capital IQ, FactSet, Dealogic and relevant company information

Note:

¹ An investment consortium which represents the interests of Bank of China, HOPU Funds and other Chinese SOEs

We note that the number of new Singtel Shares to be issued pursuant to the Placement as a percentage of the number of issued Singtel Shares following Completion is approximately 2.36%, which is below the overall mean and median for the Scrip Issuance Comparables.

The Issue Price is at a 1.0% discount to the 20 trading day VWAP of Singtel Shares prior to the Proposed Acquisition Announcement Date – we note that this is at the low end of the range of issue price discounts to the respective 20 trading day VWAPs prior to the announcement of the Equity Placement Comparables and the Scrip Acquisition Comparables. We also note that the mean and median discounts for all the Scrip Issuance Comparables together are approximately 1.4% and 2.5% respectively.

The Independent Directors should also note that as the circumstances for each of the companies listed is unique and as the companies or the transactions may not be identical to the Company or the Proposed Acquisitions and the Placement in terms of business activities, size of operations, market capitalisation, asset base, risk profile, track record, future prospects and other relevant criteria, the analysis is necessarily limited. Further, this list of Scrip Issuance Comparables is by no means exhaustive and information relating to the said companies was compiled from publicly available information. Accordingly, any comparison between the Issue Price and the Scrip Issuance Comparables serves only as an illustrative guide.

After having carefully considered the information available to us, and based on the foregoing and subject to our terms of reference as set out in section 2 above, as at the Latest Practicable Date, we are of the opinion that the terms of the Placement as an Interested Person Transaction are (1) on normal commercial terms and (2) not prejudicial to the interests of the Company and the Minority Shareholders. Please see section 8 and section 9 of this letter for our opinion on the Proposed Intouch Acquisition and the Proposed BTL Acquisition, and section 12 of this letter for our opinion on the Proposed Acquisitions and the Placement.

11 PROFORMA FINANCIAL EFFECTS OF THE PROPOSED ACQUISITIONS AND THE PLACEMENT

Information on the proforma financial effects of the Proposed Acquisitions and the Placement on Singtel, for illustrative purposes only, has been set out in section 11 of the Circular.

We have set out below summarised extracts from that section of the Circular.

11.1 Effect on NTA per share

Assuming that the Proposed Acquisitions and the Placement had been completed on 31 March 2016, being the end of the most recently completed financial year of the Singtel Group, the proforma financial effects on the consolidated NTA per share of the Singtel Group as at 31 March 2016 are as follows:

	Before the Placement, the Proposed Intouch Acquisition and the Proposed BTL Acquisition	After the Placement, the Proposed Intouch Acquisition and the Proposed BTL Acquisition
NTA (SGD million)	12,164	13,770
NTA per share (Singapore cents)	76.3	84.4

11.2 Effect on Earnings Per Share ("EPS")

Assuming that the Proposed Acquisitions and the Placement had been completed on 1 April 2015, being the beginning of the most recently completed financial year of the Singtel Group, the proforma financial effects on the consolidated EPS of the Singtel Group for FY2016 are as follows:

	Before the Placement, the Proposed Intouch Acquisition and the Proposed BTL Acquisition	After the Placement, the Proposed Intouch Acquisition and the Proposed BTL Acquisition
Profits attributable to Shareholders ¹ (SGD million)	3,871	3,979
EPS (Singapore cents)	24.3	24.4

Note:

¹ 'Profits attributable to Shareholders' means profits after tax and minority interests. Further, the profits attributable to Shareholders after the Proposed Intouch Acquisition and the Proposed BTL Acquisition include the effects of financing and the amortisation of intangibles identified in the Proposed Acquisitions on a provisional basis

11.3 Effect on Share Capital

Assuming that the Placement for the New Shares had been completed on 31 March 2016, being the end of the most recently completed financial year of the Singtel Group, the proforma financial effects on the share capital of the Singtel Group as at 31 March 2016 are as follows:

	Before the Placement	After the Placement
Share capital (SGD million)	2,634	4,239
Number of issued shares (million)	15,944	16,329

12 CONCLUSION ON THE EVALUATION OF THE PROPOSED ACQUISITIONS AND THE PLACEMENT

In arriving at our opinion to the Independent Directors, we have taken into consideration and relied upon (*inter alia*) the conclusions as outlined in the sections on the Proposed Intouch Acquisition, the Proposed BTL Acquisition and the Placement, which should be read in conjunction with, and interpreted, in the full context of this letter.

After having carefully considered the information available to us, and based on the foregoing and subject to our terms of reference as set out in section 2 above, as at the Latest Practicable Date, we are of the opinion that the terms of the Proposed Intouch Acquisition, the Proposed BTL Acquisition and the Placement (each taken individually and on a combined basis) as Interested Person Transactions are (1) on normal commercial terms and (2) not prejudicial to the interests of the Company and the Minority Shareholders.

In rendering this opinion to the Independent Directors, we have not had regard to any general or specific investment objectives, financial situations, risk profiles, tax positions, or particular needs or constraints of any individual Singtel Shareholder or any specific group of Singtel Shareholders. Our opinion is only based on a financial analysis and does not incorporate any assessment of commercial, legal, tax, regulatory, political or other matters. Our opinion also does not incorporate an assessment of the price the Singtel Shares may trade following the success or failure of the Proposed Acquisitions and the Placement. Such factors are beyond the ambit of our review and do not fall within our terms of reference in connection with the Proposed Acquisitions and the Placement.

This letter is provided to the Independent Directors for their benefit in connection with and for the purposes of their consideration of the Proposed Acquisitions and the Placement. The recommendations by the Independent Directors shall remain the responsibility of the Independent Directors.

Yours faithfully,
For and on behalf of
LAZARD ASIA LIMITED

GLENN PORRITT
Managing Director

Notice of Extraordinary General Meeting



SINGAPORE TELECOMMUNICATIONS LIMITED

(Incorporated in the Republic of Singapore)

Company Registration Number: 199201624D
Australian Registered Body Number: 096 701 567

IMPORTANT

Investors who hold discounted Singtel shares offered under the Special Discounted Shares (SDS) Scheme in Singtel's initial public offering in 1993 and in Singtel's second offering in 1996 in their CPF ordinary accounts and who wish to attend, speak and vote at the Extraordinary General Meeting as proxies of the CPF Board are required to register at www.singtelegm.com before 5.00 p.m. on 10 October 2016.

NO VOUCHERS OR DOOR GIFTS

Singtel will not be distributing any vouchers or door gifts at the Extraordinary General Meeting.

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Singapore Telecommunications Limited (the "**Company**" or "**Singtel**") will be held at Sands Expo and Convention Centre, Marina Bay Sands Level 4, Roselle-Simpur Main Ballroom 4601-4806, 10 Bayfront Avenue, Singapore 018956 on Friday, 14 October 2016 at 3.00 p.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following Resolution, which will be proposed as an Ordinary Resolution:

Ordinary Resolution

Approval for:

- (1) The Proposed Acquisition of Shares in Intouch Holdings Public Company Limited**
- (2) The Proposed Acquisition of Shares in Bharti Telecom Limited**
- (3) The Proposed Placement of Shares in Singapore Telecommunications Limited**

That:

- (a) approval be and is hereby given for:
 - (i) the acquisition by Singtel Global Investment Pte. Ltd. ("**SGIPL**"), a wholly-owned subsidiary of the Company, or its nominee(s), from Aspen Holdings Limited ("**Aspen**") of 673,348,264 issued and paid-up shares having the par value of THB1 each in the issued share capital of Intouch Holdings Public Company Limited, on and subject to the terms of the conditional share purchase agreement dated 18 August 2016 (the "**Intouch SPA**") entered into between SGIPL and Aspen, details of which have been set out in the Circular to Shareholders dated 29 September 2016 (the "**Circular**");
 - (ii) the acquisition by Magenta Investments Limited ("**Magenta**"), a wholly-owned subsidiary of the Company, or its nominee(s), from MacRitchie Investments Pte. Ltd. ("**MacRitchie**"), of 186,618,016 equity shares of INR10 each in the issued share capital of Bharti Telecom Limited, on and subject to the terms of the conditional share purchase agreement dated 18 August 2016 (the "**BTL SPA**") entered into between Magenta and MacRitchie, details of which have been set out in the Circular; and
 - (iii) the placement of 385,581,351 new ordinary shares of the Company (the "**New Shares**") to Tembusu Capital Pte. Ltd. ("**Tembusu**") (or one or more of Tembusu's nominees), and that the Directors of the Company be and are hereby authorised to allot and issue the New Shares to or for the account of Tembusu (or one or more of Tembusu's nominees), for cash at the issue price of S\$4.16 per New Share (rounded to two decimal places), on and subject to the terms of the conditional placement agreement dated 18 August 2016 (the "**Placement Agreement**") entered into between the Company and Tembusu, details of which have been set out in the Circular, the New Shares to rank in all respects *pari passu* with the existing ordinary shares of the Company; and

Notice of Extraordinary General Meeting

- (b) the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required under or pursuant to the Intouch SPA, the BTL SPA and/or the Placement Agreement) as they or he may consider necessary, desirable or expedient or in the interests of the Company to give effect to this Resolution as they or he may deem fit.

By Order of the Board

Lim Li Ching (Ms)

Assistant Company Secretary
Singapore, 29 September 2016

Proxies:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Extraordinary General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.


2. A proxy need not be a member of the Company.
3. The instrument appointing a proxy or proxies must be lodged at the office of the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road #05-01, Singapore 068902, not less than 72 hours before the time appointed for the Extraordinary General Meeting.


Personal data privacy:


By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the **"Purposes"**), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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